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January 12, 1995

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Mauritania - Recent Economic Developments

This paper provides background information to the staff report on the 1994 Article IV consultation discussions with Mauritania and its request for arrangements under the enhanced structural adjustment facility, which was circulated as EBS/95/2 on January 4, 1995.

Mr. Salehizadeh (ext. 37318) or Ms. Valdivieso (ext. 38516) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

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INTERNATIONAL MONETARY FUND

MAURITANIA

Recent Economic Developments

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Approved by the Middle Eastern Department

January 9, 1995

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## I. Introduction and Summary

Mauritania, physically among the largest countries in Africa, covers mainly arid land. Recurrent droughts have contributed to the transformation of a largely nomadic society to a sedentary one over the span of a single generation. Close to half of the estimated 2.2 million inhabitants now live in urban areas. Population growth is estimated at 2.7 percent and has outstripped GDP growth over the past decade, exerting pressure on a fragile environment. An underdeveloped road network and inadequate infrastructure hamper economic growth.

Mauritania's economy is dualistic: capital-intensive activities in mining, industrial fishing, and irrigated agriculture stand in marked contrast with the traditional subsistence sector, centered on livestock. Thus, notwithstanding a per capita income estimated at over US\$500, a relatively high level compared with other African countries, social indicators point to difficult living conditions for large segments of the population. Mining and fisheries account for over 95 percent of exports, exposing the economy to volatile international market conditions. Fixed capital formation has been financed mainly through foreign borrowing, resulting in the build-up over time of an external public debt in excess of 200 percent of GDP.

Beginning in 1985 the Government embarked on a comprehensive economic reform strategy aimed at liberalizing the economy, broadening private sector involvement in production, and enhancing the role of market forces. Reform focused on agriculture and state enterprises. This process was imperiled, however, by renewed macroeconomic instability in 1990-91 when adjustment efforts were relaxed at a time of reduced export earnings and a fall in foreign assistance. Reform efforts were resumed in October 1992 when a 27 percent depreciation of the ouguiya was subsequently underpinned by tight fiscal and monetary policies and broad-based economic reform that has received support from foreign donors and creditors.

Significant progress has been achieved since 1992. Economic growth has held up and the rate of inflation has been contained to below five percent. The lingering domestic banking crisis was confronted through a comprehensive bank reform. Firm control has been exercised over fiscal and monetary policies and remedial measures were introduced to cope with unforeseen fiscal outlays for bank restructuring and to counter the impact of a more adverse export environment. Tax reform is being implemented and reform of the fisheries sector is under way. Substantial progress was achieved in eliminating external arrears, including through debt rescheduling. However, notwithstanding these accomplishments, the economy remains highly dependent on foreign assistance and vulnerable to adverse external developments.

This paper provides background information to the staff report for the 1994 Article IV consultation and request for arrangements under the Enhanced Structural Adjustment Facility (EBS/95/2, 1/4/95). Developments in the real sector are discussed in Section II, followed by developments in prices,

wages and employment in Section III, and a discussion of public investment in Section IV. Government finance, money and banking, and the external sector are covered in Sections V, VI, and VII. The four appendices contain, respectively, a list of major public enterprises, a summary of the tax system, changes in the exchange and trade system, and the statistical tables.

## II. Real Sector

### 1. Overall developments

During the 1989-93 period, real GDP grew at an average annual rate of about 2.4 percent, compared with population growth estimated at 2.7 percent annually (Appendix IV, Tables 1 and 2). This relatively weak growth performance reflected fluctuations in the level of activity in agriculture, fishing, and iron ore mining, which are three key sectors of the Mauritanian economy, along with livestock breeding (Appendix IV, Table 3). The average rate of GDP growth during 1992 and 1993 amounted to 3.3 percent, compared with an average annual growth rate of 1.9 percent during 1989-91. The upturn in recent years reflects the substantial growth in 1993 resulting from a rebound in output of agriculture and mining.

On the expenditure side, the share of consumption in GDP is estimated at 91.6 percent on average during 1992-93, compared with an average of 90.6 percent during 1989-91 (Appendix IV, Table 4). The share of gross investment in GDP rose from an average of 18.8 percent during the period 1989-91 to an average of 21.9 percent in 1992-93 mainly reflecting an increase in investment by the mining company. The share of imports of goods and nonfactor services in GDP changed little during the period (55.8 percent in 1992-93 compared with 56.6 percent in 1989-91). As the share of exports of goods and nonfactor services declined steadily over the same period (from an average of 47.2 percent during 1989-91 to 42.3 percent on average in 1992-93), reflecting the poor performance of the export sector, the net result was a widening of the resource gap from an average of 9.4 percent in 1989-91 to 13.5 percent on average in 1992-93. Net factor payments declined from 7.5 percent of GDP in 1989-91 to 5.3 percent in 1992-93, yielding a gross national savings of 3.1 percent of GDP during the period 1992-93 compared with an average of 1.9 percent during 1989-91.

### 2. Sectoral developments

Mauritania's primary sector consisting of agriculture, livestock, and artisanal fishing, accounts for about one fifth of GDP. The secondary sector, comprising mining, manufacturing, and handicrafts, and construction

and public works accounts for about 28 percent of GDP. <sup>1/</sup> The tertiary sector consisting of commerce, transportation and communication, other services, and public administration accounts for about 42 percent of GDP.

a. Agriculture and livestock

(1) Agriculture

Crop farming in Mauritania has been developed along the Senegal River to the south where production of traditional dryland crops, such as millet and sorghum, has been supplemented by wetland production of rice and other cereals made possible by the installation of large irrigation systems. The agricultural sector is estimated to have grown by 55 percent in 1993 following declines in 1990 and 1992 and modest recovery in 1991. As a result, the share of agriculture in GDP amounted to 4.5 percent in 1993 compared with 3 percent on average during 1990-92.

Food crop production, which had peaked in 1989/90 following the return of more regular rainfall declined again in 1990/91 and remained at low levels through 1992/93 owing to severe drought conditions. In 1993/94 food production recovered as a result of abundant rainfall. Production of cereals, which had stabilized at about 105,000 metric tons during 1990/91-1992/93 recovered to about 160,000 metric tons in 1993/94 (Appendix IV, Table 5). Within the latter total, production of millet and sorghum amounted to about 97,000 metric tons and that of rice (paddy) to about 64,000 metric tons. The decline in cereal production after 1989 resulted in a more than doubling of cereal imports from 95,000 tons in 1989 to over 200,000 tons per annum during 1990-93 (Appendix IV, Table 6).

Promotion of domestic food production remains among the Government's main priorities. To this end, and in the context of programs for the reform of the agricultural sector and the rehabilitation of public enterprises supported by the World Bank, the role of the public sector in the marketing and pricing of cereals has been reduced. The Government had traditionally played an active role in the latter areas through the food aid agency Commissariat à la Sécurité Alimentaire (CSA) and through the Société Nationale d'Importation et d'Exportation (SONIMEX), a public sector agency with private capital participation. As regards marketing arrangements, the CSA no longer processes the locally produced rice (in fact, it has sold its rice mills), and its activities have been reoriented toward both sales of food aid and its free distribution as originally intended (Appendix IV, Table 7). Since 1990, food aid, particularly wheat, has been auctioned to merchants rather than sold directly by the CSA, which has led to an important reduction in the number of its commercial branches. Also, the monopoly over the purchase and marketing of local rice held by CSA and

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<sup>1/</sup> It should be noted that industrial fishing, which is the main type of fishing activity in Mauritania, is classified under manufacturing in the secondary sector.

SONIMEX was eliminated in 1990. The monopoly held by SONIMEX for the import of rice, tea, and sugar was eliminated respectively in 1991, 1992, and 1993. The private sector has rapidly replaced the public sector in the processing and retail distribution of rice, as well as in the distribution of sugar and tea.

With respect to pricing arrangements, until recently the Government regulated, at both the producer and retail levels, cereal prices which were not set in a consistent manner (Appendix IV, Tables 8 and 9). For instance, the margin between producer and retail prices of rice was too narrow to cover marketing and processing costs, and did not reflect quality differentials and world market prices. This subsidization of rice cultivation discouraged production of traditional cereals and caused CSA and SONIMEX to incur substantial losses in 1989-90 (Appendix IV, Tables 9 and 10). In the context of the reform program of the agricultural sector, measures were taken to improve the management, programming, and budgetary capability of CSA and to increase its wholesale food sales. Reform measures instituted by SONIMEX aimed at reducing its overhead costs and at setting realistic prices that took into account import costs. Following the liberalization of the import of rice, there was a shift in consumption from domestic rice to imported varieties because of both better quality and lower price. In order to protect local rice production, in 1991 the Government introduced the use of a standard import value that maintains domestic retail prices far above international prices.

(2) Livestock

Consistent with Mauritania's nomadic heritage, livestock raising continues to be an important activity and accounts for about 16 percent of GDP. The livestock sector exhibited a pattern of steady growth in the 1989-93 period, with value added growing at an average rate of 3 percent per annum and the size of livestock herds in 1993 estimated to exceed the 1985 level by about 7.5 percent (Appendix IV, Table 11). <sup>1/</sup> This growth reflected the effect of improved rainfall during the late 1980s as well as in 1993. Moreover, recent efforts aimed at strengthening veterinary services, containing livestock diseases, increasing sedentary livestock raising, and integrating agricultural and pastoral activities have also contributed to this favorable outcome.

With livestock accounting for about 16 percent of GDP and an unrecorded but probably significant share of exports, full development of the sector's potential ranks among the top priorities of the Government. In order to agree on a medium-term development strategy for the sector, a Round Table consisting of representatives of the Government, the private sector, and interested donors held discussions in Nouakchott in October 1994. Based

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<sup>1/</sup> Livestock herds are often used as a store of wealth that can be sold in neighboring countries for foreign currencies.

on these discussions the Government will develop a comprehensive action plan by mid-1995 with the aim of optimizing resource management in the sector, ensuring rational use of grazing lands and water points, and developing the sector's forward and backward linkages with the rest of the economy.

b. Fishing sector

Mauritania's 200-mile exclusive economic zone (EEZ) has some of the richest fishing grounds in the world. Nevertheless, the declared catch has declined during the period 1989-93 possibly as a result of a depletion of some fishing stocks, shifts in the location of the fishing grounds, variation in spawning cycles, increases in the unrecorded catch by authorized and unauthorized boats, as well as a continuing erosion of profitability and a reduction in the number of fishing boats owing to a lack of funds for maintenance and spare parts (Appendix IV, Tables 12-14). 1/ In 1989, Mauritania exported 322,000 tons of fish, with pelagic fish (surface species) accounting for 75 percent, cephalopod (squid) for 12 percent, and demersal fish (deep-sea species) for 4 percent. During the period 1990-92 the volume of fish exports averaged 291,000 tons per year and in 1993 it amounted to 313,000 tons. High-value cephalopod accounted for 19 percent of fish exports in 1993 and pelagic fish for 69 percent. While the decline in the volume of fish exports has been compensated by an increase in their unit prices, Mauritania's share in an expanding market has declined significantly, particularly in 1994 when the export volume of fish is estimated to have suffered a further drop of close to 30 percent.

Although the fishing sector is the primary source of gross foreign exchange earnings, its net contribution to economic growth remains small because of sizable service payments and capital transfers abroad. 2/ In addition, the sector's impact on employment has been limited by a shortage of skilled Mauritanian fishermen. In order to address these concerns, the Government prepared a sectoral development letter which was presented to interested donors in a meeting in Nouadhibou in September 1994. Subsequently, a detailed action plan has been prepared centering on: (i) resource management, surveillance, and the prevention of illegal fishing; (ii) investment plans and priorities for the sector; (iii) exit mechanisms for nonviable enterprises; and (iv) transparency and efficiency in the allocation of fishing rights.

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1/ There are large discrepancies between the estimated fish catch (Appendix IV, Table 12) and exports (Appendix IV, Table 13), even after deducting the estimated undeclared catch from the former, and taking into account the fact that there is not a large domestic consumption. Since export figures are more reliable, they are used as indicators of fishing activity.

2/ Total fishing activity (artisanal and industrial) is estimated to contribute about 7 percent of the GDP.

c. Iron ore mining

Mauritania's mining sector is dominated by the production of iron ore under the Société Nationale Industrielle et Minière (SNIM), a state-controlled corporation jointly owned by the Mauritanian Government (70 percent) and foreign interests. Iron ore production has been a major component of economic output (accounting on average for about 12 percent of GDP) and the second largest source of foreign exchange earnings. Iron ore production, which had amounted to 12.1 million tons in 1989, declined during the next three years to about 8.3 million tons in 1992 as a result of weak foreign demand. In 1993, the production increased to 9.2 million tons (Appendix IV, Table 15). The outlook for iron ore mining, dimmed by higher than anticipated production costs at the Guelbs mine, brightened considerably with the discovery of a new deposit at Mhaoudat. Operations at the latter mine have been brought on stream recently and with this, total sustainable production levels are projected at roughly 11 million tons per annum.

Mining of other known resources--such as copper, gypsum, and phosphates--is presently limited by low demand and high production costs. A gold recovery project (Morak) at the inactive Akjoujt copper mine, situated at some 260 kilometers northeast of Nouakchott, started production in the second quarter of 1992. Assuming an 80 percent recovery rate, production should total 188,000 ounces of gold over a five-year period.

d. Manufacturing activities

The manufacturing sector (including handicrafts), which represents about 10 percent of GDP, grew by 5.5 percent in 1993 following substantial gains in the previous two years. Manufacturing activities relate mainly to the processing of fish; other manufacturing accounts for only 4 percent of GDP comprising mainly energy, food and beverages, household chemicals, and construction materials. Industrial development in Mauritania is hampered by inadequate infrastructure and lack of skilled labor, a limited market, and an underdeveloped road network. Since the adoption of a new investment code in 1989, the National Commission of Investment has approved more than 100 investment projects for small and medium-sized enterprises. There are no available data on the actual investment undertaken by these enterprises. Based on the project proposals, however, investment under the code is estimated at more than UM 10 billion during 1989-93 and about 4,000 employment positions have been created. Policies aimed at liberalizing domestic markets along with reforms in the exchange and trade regime are expected to improve the investment climate.

e. The public enterprise sector

Mauritania currently has 80 public enterprises involved in virtually all economic sectors (Appendix I). Of these enterprises, 22 are non-commercial including schools, the university, a hospital, and the office of

statistics. Of the 58 commercial enterprises, the Government has full ownership of 20, is majority shareholder in another 20, and minority shareholder in the remaining 18 enterprises. Together, these enterprises account for more than half of public investment and for about one third of public and publicly guaranteed external obligations. The sector employs more than one fourth of the modern sector work force.

The overall performance of the public enterprises has traditionally been characterized by low productivity, large losses and payments arrears, heavy debt burdens, and growing illiquidity. The enterprises suffered from weak management, overstaffing, ill-defined relations with the Government, poor investment choices, inappropriate pricing policies, and reliance on monopoly positions and government subsidies. However, since 1985, the Government has embarked on a program to reform the public enterprise sector, with the support of the World Bank. As part of this program, a new law governing public enterprises and a new accounting system have been adopted; several enterprises have been liquidated or privatized while others have been rehabilitated; 1/ and performance contracts foreseen by the law have been implemented.

Under the most recent phase of the public enterprise rehabilitation program launched in 1989, major reforms have been undertaken at the power and water utility (SONELEC), the post and telecommunications agency (OPT), and SNIM. SONELEC's water and electricity generating and distribution networks have been upgraded and services restored (Appendix IV, Table 18). Progress has also been made in upgrading its accounting and billing systems. Its staffing has been reduced and tariffs have been raised. Operating losses totaling UM 882 million in 1989-90 turned into profits averaging UM 52 million in 1991-92 and UM 553 million in 1993 (Appendix IV, Table 19). Tariffs have been increased in 1992 and 1993 (Appendix IV, Table 20), to ensure the company's financial viability and SONELEC is now operating without subsidy; its tax-exempt status came to an end in July 1992 (Appendix IV, Table 20). The OPT is responsible for international and domestic post and telecommunications services and for postal financial services. Some progress has been made in improving OPT's accounting and budgeting system, and a performance contract was signed with the OPT in 1994. The financial position of SNIM has evolved as envisaged under the financial restructuring program and profits have been generated in recent years, partly through cost reductions (Appendix IV, Tables 21-23).

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1/ For example, the capital of the company marketing oil products (SMCPP) was opened to the private sector and its petroleum products distribution activities were liberalized (Appendix IV, Tables 16 and 17).

### III. Prices, Wages, and Employment

#### 1. Prices

Until 1985, the Government stabilized consumer prices through subsidies and price controls. Since then, controls were progressively dismantled under successive adjustment programs in order to remove distortions in relative prices and reduce the level of subsidies. The domestic prices for petroleum products have been adjusted periodically to reflect import costs, although with only modest increases affecting the fishing industry (Appendix IV, Table 24).

According to the official consumer price index (CPI), the rate of inflation, which had risen to 13 percent in 1989, returned to roughly 6 percent per annum in 1990 and 1991 (Appendix IV, Table 25). The CPI rose by an average of 9.7 percent per annum in 1992-93, but decelerated to 4 percent in 1994 based on actual data through November. However, the CPI only takes account of prices in Nouakchott and suffers from a number of technical deficiencies. Although the index was reviewed in 1989 with technical assistance from the Fund, the recommendation to revise the weights has yet to be implemented. Price collection procedures also remain inadequate, including difficulties in maintaining consistency in the quality of some items surveyed. <sup>1/</sup>

#### 2. Wages

Civil service salaries and the minimum wage for industry and agriculture are determined by the Government, while wage rates in public enterprises and the formal private sector are set through collective bargaining. Allowances and fringe benefits for some categories of civil servants, such as teachers and doctors, and for public enterprise employees are relatively high and constitute a substantial share of their total remuneration. Teachers can receive allowances and fringe benefits in excess of their salaries, comprising a rental allowance between UM 1,000 and UM 6,000 a month for those who are not provided with housing, incentive bonuses varying from UM 3,000 to UM 12,000 a month, and allowances tied to their position in a range of UM 2,000 to UM 9,000 a month. Minimum wages were not raised during 1982-91, whereas wages in the public sector were increased under the 1992 budget for the first time since 1985 (Appendix IV, Table 26). The minimum wage was raised by 37 percent in 1992 and by 28 percent in 1993. Civil servant salaries were raised between 11 percent and 31 percent in 1992, and between 10 percent and 24 percent in 1993.

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<sup>1/</sup> The subindex for domestic services, for example, is based solely on the minimum wage, which did not change during the 1989-91 period, when in practice, the cost of such services continued to increase as an important component of compensation consists of payments in kind.

### 3. Employment

No statistical information is available on employment in Mauritania. However, it is estimated that about 10 percent of the potential working population consists of wage earners, while the remainder is either employed in the informal sector or unemployed. In the modern sectors, the Government is the principal employer, with 19,918 civil servants (excluding house employees paid by the Government) at end-1993, followed by public enterprises with about 10,000 employees. In the past three years, new recruitment has been limited largely to the two priority sectors of education and health, for which the Government has guaranteed employment to students in these fields upon graduation (Appendix IV, Table 27).

### IV. Public Investment Program

In view of Mauritania's limited absorptive capacity and ability to service external debt, the selection of investment projects has focused on the development of key areas of productive potential. Thus, the public investment program (PIP) for the government and state enterprises for 1989-91 identified agriculture, infrastructure and mining, and health and education as priority areas. Within these areas, primary importance was given to the maintenance and rehabilitation of existing assets, and infrastructure development. The total public investment program for 1989-91 was targeted at UM 45 billion (6 percent of GDP on average). However, only about 62 percent of the amount programmed was disbursed, totaling UM 28 billion (Appendix IV, Table 28).

The slow disbursement of amounts programmed for education (28 percent), health (30 percent), and industrial development (45 percent) largely reflects constraints imposed by limited institutional capacity as well as lengthy procedures for the disbursement of foreign grants and loans. Implementation was also impeded as a result of Mauritania's conflict with a neighboring country and the occurrence of the Middle East war. Disbursements reached roughly 60 percent of the amounts programmed for agriculture and infrastructure, while 93 percent of planned investments were implemented in the mining sector. The investment program was financed largely from foreign sources, with external grants and loans at concessional terms accounting for 84 percent of the total. Expenditures by SNIM accounted for 33 percent of the total with the continued development of new iron ore deposits.

The public investment program for the period 1993-96, which totals UM 86 billion, is expected to be financed mainly from abroad, with grants and concessional loans accounting for 91 percent of total outlays. Infrastructure projects constitute the largest component of programmed investment (25 percent), followed by agriculture (23 percent), and investments related to bringing new mineral production on line (16 percent). Investment in public health and education constitutes only 10 percent of the total.

## V. Government Finance

### 1. Institutional background

The nonfinancial public sector in Mauritania consists of the Central Government and its decentralized agencies, local governments and municipalities, and a number of nonfinancial public enterprises. The decentralized agencies that are consolidated in the accounts of the Central Government include the Red Crescent, the National School of Administration, and the National Security Fund. The latter derives its revenue from social security taxes; other decentralized agencies are almost entirely dependent on transfers from the Government. The nonfinancial public enterprises are divided in three categories: (i) national enterprises, which are 100 percent state-owned, and include the public utility companies OPT and SONELEC; (ii) mixed economy enterprises, such as Air Mauritanie and SNIM, that have majority state ownership; and (iii) institutions of common interest (établissements publics d'intérêt collectif) that are wholly state-owned and include the national company for rural development (SONADER).

The central government budget, which is prepared and executed on a calendar-year basis, has three components: the general budget, the annexed budgets, and several special accounts. The general budget authorizes current operations and the small portion of capital expenditure financed directly from the Treasury. The annexed budgets cover certain public entities and government lending operations, acquisition of equity capital in financial and other enterprises, and special operations such as the local sale of food aid. The entities covered by the annexed budgets derive their resources from government transfers or from fees that they levy. The special accounts are extrabudgetary treasury accounts created by law or executive order in which earmarked receipts and external grants are recorded for the purpose of financing specific development expenditures including in agriculture, education, and health. The development support fund (FSD), which is financed through taxes on petroleum products, represented 90 percent of the special accounts expenditures during January-September 1994. In recent years, these accounts have been progressively incorporated into the budget.

Other extrabudgetary operations, especially those concerning investment expenditures financed by external loans and grants are not recorded in the treasury accounts (Appendix IV, Table 29). These operations may take place either abroad with lenders and donors paying suppliers and Mauritania receiving imported equipment, or through an account at the Central Bank, or through cashiers installed in Mauritania by the creditors. In this report, treasury operations and extrabudgetary expenditures are aggregated in the consolidated financial operations of the Government.

The financial operations of the Central Government are recorded on a cash (receipts) or commitment basis in the Treasury, which also fulfills certain banking functions. The Treasury accepts promissory notes with a maturity of four months in payment of certain taxes, principally customs

duties. It also holds the funds of public agencies, maintains the cash accounts of the local governments, and receives deposits from the postal checking system, the social security fund, and public enterprises. These deposits represent an important source of treasury liquidity. In this report, these banking functions are classified with the operations of the banking system.

## 2. Recent fiscal developments

### a. Overall developments

Developments during the past six years were marked by a major fiscal tightening evidenced by a fall in the overall deficit from the equivalent of 11 percent of GDP in 1989 to 3 percent during the first nine months of 1994 (Appendix IV, Table 30). This trend was interrupted, however, by the impact of the banking crisis on the budget in 1993. The near insolvency of the Mauritanian banking system in this period and the subsequent bank restructuring led to an increase in budgetary expenditures by an estimated UM 8.9 billion (US\$75 million, or 7.6 percent of GDP) in 1993. These additional costs stemmed from buildup by the Treasury of claims on banks in the form of checks that could not be honored, the recapitalization of two joint venture banks, and the liquidation of the government-owned development bank. As a result of the 63 percent increase in expenditure, and despite a 46 percent increase in revenue, the overall deficit of the consolidated government financial operations (excluding grants) doubled in terms of GDP to the equivalent of 11 percent in 1993 from 5.4 percent in 1992. Following the 1992-93 banking crisis, the Government's fiscal strategy has aimed essentially at turning the balance of treasury operations into a surplus by returning to the original fiscal adjustment path envisaged prior to the banking crisis. As a result of the measures implemented in 1993 and 1994, the deficit of the consolidated government operations (excluding grants) in relation to GDP shrunk to 3 percent during the first three quarters of 1994 from 5.8 percent during the corresponding period in 1993.

In 1992, as in the previous year, the fiscal deficit was financed to an important extent through a build-up of external arrears. Net foreign financing amounted to only UM 0.6 billion as grants and loan disbursements, which formed the counterpart to capital expenditure, only marginally exceeded amortization due. Domestic financing was negative (about UM 1 billion). This shortfall in regular financing led to a large accumulation of arrears on external debt payments to Paris Club and other bilateral and multilateral creditors amounting to UM 6.4 billion (6.2 percent of GDP). Consequently, the stock of external payments arrears reached an estimated UM 16.4 billion as of end-1992. In 1993, by contrast, a substantially larger deficit was fully financed, mainly reflecting delayed disbursement of World Bank cofinancing loans (UM 4 billion), moderate recourse to domestic financing (UM 3 billion), and exceptional financing (UM 5.6 billion) granted through a Paris Club rescheduling on enhanced concessional terms (UM 25.3 billion). The latter also covered outstanding arrears, in addition to maturities due. During the first nine months of 1994, the financing need

(including external debt amortization) was more than covered by foreign grants and loans (UM 4.7 billion) and exceptional financing (UM 1.2 billion), thus allowing net repayment by the Government of UM 2.2 billion of domestic bank borrowing.

On the structural front, the Government has embarked on a number of tax reforms since 1990 aimed at strengthening tax administration and broadening the tax base, *inter alia*. The number of tax exemptions was reduced and a value-added tax was prepared for introduction on January 1, 1995. As discussed, the authorities also launched a broad program of public enterprise reform with the financial support of bilateral and multilateral creditors, including the World Bank. These reforms aimed, in particular, at restoring the profitability, mainly through cost-cutting, of those enterprises that were considered strategic, and at privatizing others.

b. Budgetary revenue

Budgetary revenue accounts for more than 95 percent of total government revenue, excluding grants. It increased at an average annual rate of 18.6 percent during 1992-93 and 16.8 percent during the first three quarters of 1994. In real terms, the increase in budgetary revenue collection accelerated from an average of 9 percent during 1992-93 to 13 percent in the nine months ended September 1994.

In 1992, budgetary revenue rose by 7 percent to the equivalent of 20.3 percent of GDP. In addition to the revenue impact of the 27 percent devaluation of the ouguiya in October 1992 and improved tax collection efforts, particularly on business profits, the higher revenue also reflected the increase in the rate of the statistical tax and of higher import duties, including for wheat. As a result, the share of taxes in total budgetary revenue increased to 81 percent in 1992. In 1993, budgetary revenue increased further, by 31.6 percent in nominal terms, to the equivalent of 24.2 percent of GDP reflecting the full-year impact of the devaluation on proceeds from taxes on international trade and the introduction of a number of revenue-enhancing measures. The latter included a tripling of the rate of the statistical tax to 3 percent, a reduction in exemptions from customs duties on imports of tires, a 5 percentage point increase in the customs duty rate on imports of textiles, and the elimination of the tax-exempt status previously granted to SONELEC.

In 1994 the initial budget aimed to lower the overall deficit to 3.3 percent of GDP. Measures introduced included, *inter alia*, the elimination of exemptions from petroleum import tax enjoyed by SNIM and SONELEC, the imposition of profit taxes on foreign companies engaged in construction work in Mauritania, and increases in the turnover tax and in taxes on gasoline and gas oil as well as the introduction of a progressive wealth tax on the livestock sector. However, because of continued slippages in the external sector, the Government tightened fiscal policy further in June 1994 and submitted a budget supplement to Parliament comprising additional revenue measures of UM 1.4 billion (1.1 percent of GDP). These

measures included additional taxation of imports of petroleum products by the mining company, and the introduction of new taxes on cement, airport usage, and telephone services.

Budgetary revenue during the first nine months of 1994 amounted to UM 22.6 billion (17.8 percent of GDP), compared with UM 19.3 billion (16.8 percent of GDP) during the first three quarters of 1993. During the 1994 period, a slight shortfall in tax revenue was offset by good performance of nontax receipts (Appendix IV, Tables 31 and 32). The relatively low tax collection is mainly attributable to the problems experienced by the pelagic fisheries industry, as export tax receipts from this activity were 22 percent below the amount collected during the same period in 1993. Overall, as a result of the initial and supplementary budgets, total domestic revenue increased by 10.6 percent during the first three quarters of 1994 over the corresponding period in 1993.

In the structural area, tax reforms that had already been initiated were carried forward in 1994. Legislation concerning a value-added tax (VAT) was adopted in 1994 and the new tax will come into effect on January 1, 1995. To broaden the tax base, the authorities also eliminated a number of tax exemptions in 1994. Tax administration has been strengthened, including through improved coordination between the tax collection and audit functions. In order to reinforce further the revenue base and reduce distortions, the Government decided to replace from September 1, 1994 onward, the system of export taxes in the fisheries sector with a new system based on auctioned licenses for industrial fishing and by a territorial fee system for artisanal fishing.

c. Budgetary expenditure

Total budgetary expenditure and net lending (excluding restructuring operations and foreign-financed investment outlays) grew by 13.5 percent on average during 1992-93, and by 9.4 percent during the first three quarters of 1994 over the corresponding period of 1993 (Appendix IV, Table 33). Current budgetary expenditure also grew at about the same rate, although trends among current expenditure categories differed markedly. In particular, interest on public debt almost doubled during 1992-93, average growth in military outlays was limited to 6 percent, and transfers and subsidies virtually stagnated in nominal terms. In relation to GDP, total budgetary expenditure and net lending (excluding restructuring operations and foreign-financed investment outlays) remained stable, averaging nearly 22 percent during 1991-93. However, including restructuring expenditure, total expenditure climbed to the equivalent of 31.7 percent of GDP in 1993 from 22.3 percent in 1992; this was attributable mainly to the budgetary costs of the banking system bailout operations.

In 1992, despite the increase by one third in interest payments due, total expenditure and net lending were reduced by more than half a percentage point of GDP because of a reduction in outlays and restraint on wage increases. Reflecting the measures undertaken in support of the

exchange rate adjustment in early October, current outlays as a percent of GDP fell by 0.7 percent to 18.6 percent. The increase in the wage bill did not exceed 10 percent in nominal terms notwithstanding the devaluation, which implied stagnation in real wages after adjustment for inflation. Moreover, other current outlays, including for defense, and investment expenditure also declined in real terms.

In 1993, the growth in budgetary expenditure and net lending (excluding restructuring operations and exceptional outlays related to the bailout of commercial banks) was 18.5 percent in nominal terms, implying an increase in relation to GDP of 1.5 percentage points over 1992. Partly reflecting additional recruitment in the health and education sectors, the wage bill rose by 7.9 percent in nominal terms, which, however, implied a fall in real terms of 1.4 percent. <sup>1/</sup> For the second year in a row, the increase in current military expenditure was limited to 6 percent in nominal terms, leading to a significant decrease in real terms. However, appropriations for goods and services increased sharply, by almost 24 percent in nominal terms, and interest due rose by 48 percent, mainly reflecting the impact of the currency devaluation. Domestically financed investment outlays increased sharply from UM 1.6 billion in 1992 to UM 2.4 billion, equivalent to 0.7 percent of GDP. Foreign-financed investment expenditure and restructuring operations also rose, mainly on account of the larger than expected fiscal cost of the banking crisis and, to a lesser extent, the additional outlays associated with the resumption of disbursements of program lending by the World Bank and other creditors. With a view to enhancing the quality of fiscal expenditure, the Government decided to launch a periodic review of the public investment program (PIP) with World Bank assistance, focusing in particular on the use of the counterpart funds of foreign assistance and the reorientation of expenditures toward basic education and health services through the preparation of functional budgets for regional health and education centers.

Expenditure in the first nine months of 1994 was broadly in line with the budgetary targets. The increase in the wage bill was contained within 6 percent over the level during the corresponding period in 1993. This increase reflected normal salary scale progression and recruitment in the education and health sectors for social priority purposes. Defense outlays as a share of GDP were reduced further to 2.2 percent during January-September 1994 compared with 2.4 percent a year earlier, consistent with the policy objective of reducing military expenditures each year after allowing for inflation. In the first three quarters of 1994, a significant share of budgeted capital transfers and restructuring outlays financed by domestic counterpart funds of foreign program assistance were postponed. Furthermore, additional expenditure restraint was applied in the context of the June 1994 supplementary budget that intended to further tighten domestic

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<sup>1/</sup> The number of civil servants reached about 20,000 at end-1993, of which 8,900 were employed in the Education Ministry and 3,100 in the Health and Social Affairs Ministry (Appendix IV, Table 27).

demand to redress slippages in the external area. These measures amounted to UM 340 million (0.3 percent of GDP) and comprised mainly a lowering of authorized outlays for goods and services by 10 percent and reductions in investment expenditure. Overall, total expenditure and net lending fell by 2.4 percent in nominal terms during the first three quarters of 1994 compared with the same period in 1993.

As regards structural reforms, since 1993, prices of petroleum products and public utility tariffs have been adjusted as required with a view to avoiding a re-emergence of subsidies. However, some cross-subsidization of petroleum products has persisted, including the pricing of diesel fuel for fishing boats and of kerosene below their costs. Also, the financial performance of Air Mauritanie has fallen short of target as tariffs have not kept up with costs and subsidies were received to cover nonprofitable domestic destinations.

In 1994, progress was achieved in restructuring public enterprises. Cost-cutting measures resulted in enhanced profitability of SNIM. As agreed with the World Bank and bilateral and multilateral donors, performance contracts were negotiated with OPT, the Port of Nouadhibou (PAN), and Air Mauritanie, to secure their long-term financial viability. In the enterprises that remained public, cost-saving efforts were made to avert the need for periodic recapitalization to cover operating losses. However, privatization of the insurance company (NASR) and the sale of an additional 15 percent of the Government's stake in the SMCP (which would be consistent with the target of limiting government ownership to 35 percent), were still pending.

## VI. Money and Banking

### 1. Institutional aspects and the state of the banking system

As of end-September 1994, the Mauritanian monetary and banking system comprised the Central Bank of Mauritania and four banks, including one bank that follows Islamic banking principles (Appendix IV, Table 36). The Treasury and the Postal Checking System also perform monetary and financial functions. The Central Bank controls credit to the private sector by means of rediscounts in favor of the deposit money banks and through statutory reserve requirements, and may rely on prior authorizations for the extension of short-term credits. As part of a move toward indirect monetary policy, the Central Bank has instituted periodic treasury bill auctions beginning in July 1994.

The situation of the Mauritanian banking system was very fragile through 1993, as inadequate management and supervision hampered the attainment of the objectives of the restructuring program undertaken in 1989-90 with support from the World Bank. This program aimed at establishing new

procedures and banking regulations; strengthening supervision by the Central Bank; and reorganizing, restructuring and privatizing and/or merging commercial banks with a view to transforming them into viable financial institutions.

The regulatory measures called for by the above-mentioned reform program were adopted but not effectively implemented. Both the commercial banks and the Central Bank were responsible for this outcome. Banks continued to liberally extend credit in the form of overdrafts and continued to grant additional loans to the financially troubled agricultural and fishing sectors. Faced with this situation, the banks did not make appropriate provisions for delinquent loans nor did they attempt to improve the quality of their portfolio. As a result, nonperforming loans represented about 50 percent of total outstanding credit to the private sector. As regards the Central Bank, the quality of the claims that it accepted as collateral for the refinancing extended to the banking sector remained weak. The Central Bank was unable to ensure compliance with prudential ratios; in particular, it failed to exercise effective supervision of banks, in part owing to staff constraints, and to enforce periodic and adequate auditing of banks as well as the publication of their financial statements. Ultimately, the Central Bank had to intervene directly in the management of individual banks. As a result of these developments, the two banks that had been recapitalized with the participation of the Treasury 1/ and the support of the World Bank--the Union des Banques de Développement (UBD) and the Banque Nationale de Mauritanie (BNM)--were again facing a difficult financial situation in 1992. Also, two other banks (BALM and BAMIS) were not in a healthy position.

By 1992, the escalating banking crisis had resulted in disruption of financial intermediation, the build-up by the Treasury of claims on banks in the form of checks that could not be cashed, and the interruption of import financing due to the persistence of external arrears. Within the framework of the 1992-94 ESAF arrangement with the Fund the Government undertook to confront the crisis. The main elements of its reform program for the banking sector consisted of the closure and liquidation of the government-owned development bank (UBD); the recapitalization and/or full privatization of Mauritania's four commercial banks; the launching of a loan recovery program including enactment of new legislation; and a strengthening of the supervisory role of the Central Bank.

The development bank, itself a merger of two government banks that experienced difficulties in the 1980s, had become insolvent in view of a heavily impaired loan portfolio, notably to the fisheries sector. The bank

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1/ The Treasury issued treasury bills amounting to UM 7.7 billion to cancel the Central Bank's outstanding refinancing of banks (UM 4.5 billion for the BNM and UM 3.2 billion for the UBD) in 1989-90. This operation was part of the measures to improve the balance sheets of the banks before their assets could be offered for acquisition by the private sector.

was closed in June 1993, a liquidator was appointed, and rules for compensation were established. Priority was given to severance pay for employees, small private deposit holders, and deposits of Mauritanian workers abroad and foreign embassies, which received full compensation. Deposits of state enterprises, net of outstanding loans from the UBD, were compensated only in part, and in the form of treasury bills. Claims held by the Central Bank on the UBD were replaced by treasury bonds. A solution remained to be found for the external liabilities of the UBD, mainly vis-à-vis foreign commercial banks, which the Government intends to take up as part of the larger problem of external arrears on commercial debt. Some of the crop lending functions of the UBD were transferred to agricultural credit cooperatives which receive support from bilateral donors.

The Government's role in the banking sector was further reduced through the completion of the privatization of three of the four commercial banks. The 10 percent share held by the Government in both the BMCI and BAMIS was sold to the private sector. Also in 1993, an agreement was reached between the Government and the private shareholders of the BNM whereby the Government relinquished its 46 percent share in the BNM, gave up treasury claims in the form of uncashed checks, assumed responsibility for certain claims on public enterprises it had guaranteed, and compensated the Central Bank for its exposure to the BNM. In exchange, the private shareholders committed to augment the bank's capital as indicated by the audit and to assume full responsibility for any future increases in capital that might be called for.

Three banks were recapitalized in 1993 on the basis of the results of external audits undertaken with assistance from the World Bank. 1/ The capital of the BALM, subsequently renamed Chinguitty Bank, was raised from UM 520 million to UM 2 billion, with the Government of Mauritania and the Libyan partner both contributing half of the amount. The BAMIS, a joint venture involving the Saudi Arabian Group Al Baraka (which is run according to Islamic banking principles), received a capital injection of UM 2 billion, bringing its capital to UM 3 billion. The private shareholders of the BNM brought in fresh capital of UM 500 million in 1993. 2/ In all, the budgetary impact of the bank restructuring in 1993 was UM 8.9 billion (US\$75 million, or 7.6 percent of GDP).

The new loan recovery law which was approved by parliament in February 1993, strengthens the rights of banks and lowers the cost of seeking recourse through the courts. Following the enactment of the law, a loan recovery agency (Agence de recouvrement des créances bancaires--ARCB) was established. The agency first took over the loan portfolio of the UBD and later (in July 1994) the nonperforming loan portfolio of the BNM. The

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1/ Completion of satisfactory audits was delayed from the original target date of November 1992 to late 1993.

2/ A further capital increase of UM 500 million was scheduled to take place in December 1994.

former amounts to about UM 14 billion, and the latter to about UM 7 billion. The total recoverable amount is estimated at UM 5 billion. The total amount of nonperforming loans recovered was UM 192 million in the last quarter of 1993 and UM 376 million during the period January-November 1994. The Government loan recovery target for all of 1994 was UM 600 million (revised downward from the original target of UM 1 billion), and with the envisaged recovery of UM 275 million in December 1994, would be achieved.

As part of the 1989-90 restructuring program of the banking system, an interbank money market was created in 1990, which allowed participating banks to adjust their temporary cash imbalances. Following a period (during 1991 and early 1992) when a noticeable increase in transactions in the money market took place, <sup>1/</sup> such transactions were subsequently considerably reduced and credit to the private sector slowed down. Since mid-1994, periodic treasury bill auctions have been held allowing the introduction of a freely determined interest rate. Subsequently, the Central Bank opened a discount window using treasury bills as collateral to allow banks to finance temporary liquidity needs.

## 2. Recent credit and liquidity developments

During the period December 1992-September 1994 monetary policy was restrained. The net domestic assets of the banking system which had grown by 39 percent during the period December 1990-December 1992 (in part reflecting the balance sheet impact of the currency depreciation) and amounted to UM 59.7 billion at end-1992, declined by 5 percent to UM 57 billion at end-September 1994 (Appendix IV, Table 37). Domestic credit, which had risen by 10 percent during the period December 1990-December 1992, spurred by lending to the private sector, rose by only 1.5 percent during 1992-September 1994. Broad money which had expanded by 17 percent during the period December 1990-December 1992, fell by about 13 percent during the period December 1992-September 1994.

During 1993, outstanding credit of the banking system rose by UM 3.3 billion, equivalent to 12 percent of beginning period money stock. This increase was mainly on account of net credit expansion to the Government--reflecting the impact of the fiscal cost of bank reform which was only partly offset by a build-up in local currency deposits that form the counterpart to foreign aid funds. Notwithstanding this credit expansion, the growth in broad money was limited to less than one percent. This came about as the capital accounts of the banking system increased sharply reflecting the recapitalization. The impact of the latter exceeded net credit expansion, allowing net domestic assets (excluding valuation changes) to decline significantly. The corresponding fall in the banking system's net foreign liabilities (SDR 27 million) reflects a temporary buildup in foreign assets as a result of the direct capital inflows in support of the

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<sup>1/</sup> For a description of the reasons for such an increase see SM/92/208, December 2, 1992.

joint-venture banks, and in particular substantial payments by the Central Bank of overdue external obligations which it had taken over from commercial banks (Appendix IV, Tables 38, 41, and 46). 1/

During January-September 1994, the tight monetary policy followed by the authorities was evident in a 13 percent decline in broad money. This contraction is attributed mainly to a reduction in net credit to the Government (Appendix IV, Table 40). The fall in net bank credit to the Government reflects the restrained fiscal policy stance adopted by the authorities and to a lesser extent the impact of issuing treasury bills to the nonbank sector, mainly public enterprises. Another factor noticeable in the consolidated balance sheet of commercial banks is the stability of credit to the economy during the period January-September 1994 which reflects continued caution on the part of banks to extend new credit in view of the overhang of nonperforming loans and pending completion of their restructuring. The net foreign liabilities of the banking system increased slightly (SDR 4 million). This development reflects continued efforts by the Central Bank to reduce its liabilities vis-à-vis foreign commercial banks, made possible in part by the use of Fund resources.

During the period under consideration, there has been no discernible change in the structure of interest rates in Mauritania, except that as of June 30, 1994, the minimum interest rate on time deposits with maturities over 12 months (8 percent) was abolished and the interest rate on time deposits with maturities between 3-6 months was reduced from 7.5 percent to 7 percent (Appendix IV, Table 42). Since mid-1994, a freely determined interest rate has been introduced through periodic auctions of treasury bills. The average rate of interest for the six auctions held during July-November 1994 was about 6 percent.

The share of short-term credit (less than two years) in total credit increased from 89 percent at end-1990 to 94 percent at end-September 1994. Short-term credit, which had averaged UM 30.6 million in 1990-91, increased to UM 34.5 in 1992 and UM 38.2 at end-September 1994 (Appendix IV, Table 43). Fishing and commerce were the two sectors receiving most of the credit; as of September 30, 1994 short-term credit to these sectors amounted to UM 14 billion and UM 13.3 billion, respectively. The increase in the credit to the fishing sector during the period under consideration was more than that to commerce. The other major recipients of bank credit were services, manufacturing, construction, and transport.

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1/ The corresponding claims of commercial banks on the Central Bank are reflected in the buildup of deposits with the Central Bank in commercial bank balance sheets (Appendix IV, Table 39).

## VII. External Sector

### 1. Balance of payments

#### a. Background and overall developments

Analysis of the balance of payments in Mauritania is hampered by methodological weaknesses, in particular regarding the recording of imports which is not based on customs data. Nearly 50 percent of the value of imports recorded in the balance of payments is derived from the Central Bank's foreign exchange record, after limited adjustments are made; the remainder is recorded on a transactions basis from various official sources including notably, the Ministry of Plan (public investment program), the iron ore company (SNIM), bilateral donors (food aid), and the Central Bank record of authorizations granted to individuals and enterprises for imports which are settled through their own foreign exchange. The reliability of the nonfactor services account is also affected by the exclusive reliance on the foreign exchange record, particularly because mutually offsetting transactions related to the fishing sector between Mauritanian residents and nonresidents are not always consistently reflected in the exchange record. Finally, technical assistance services obtained by Mauritania as well as their counterpart entry under official grants are apparently overestimated. In order to improve the quality of the sources of information for the compilation of the balance of payments, the Central Bank has taken the following steps since 1993: (i) establishment with the Customs Office of an import data base covering the period 1990-94, that could replace the exchange record as a source of information starting in 1995; and (ii) the completion of a comprehensive survey among donors for improving the method of measuring technical assistance services. In view of the limitations outlined above, the balance of payments data should be interpreted with caution.

The external payments position of Mauritania deteriorated significantly during 1992 and 1993. A 27 percent depreciation of the ouguiya in October 1992 and the prevalence since then of tight demand management policies, which maintained the gains in competitiveness, could not outweigh a markedly adverse export environment. Thus, in 1992 the external current account deficit (excluding official transfers) widened to the equivalent of 16.6 percent of GDP against 14.7 percent in 1991 (Appendix IV, Table 44), notwithstanding an exceptionally strong inflow of workers' remittances. A major factor behind this deterioration was a swing in the trade balance from a surplus of SDR 13 million in 1991 to a deficit of SDR 30 million in 1992. This reflected a weak performance of iron ore exports and higher imports, on account of a one-time surge in capital imports by SNIM. Although official grants and net capital inflows were higher in 1992 than in 1991, mainly reflecting increased program-related grants and larger project-related financing received by SNIM, the resulting overall deficit (SDR 61 million) gave rise to an accumulation of arrears in external debt service payments by the Government and public enterprises. As of end-1992, the stock of such arrears stood at SDR 190 million (Appendix IV, Table 45). On the same date

arrears on commercial debt amounted to an additional SDR 115 million. <sup>1/</sup> The gross foreign exchange reserves of the Central Bank remained unchanged at the equivalent of 1.2 months of imports (Appendix IV, Table 46).

In 1993, the external current account deficit widened further to the equivalent of 21.1 percent of GDP, notwithstanding a 10 percent decline in the value of imports, a modest recovery in exports of iron ore, and higher gold export receipts. The lower level of imports reflected reduced capital import requirements by SNIM, in line with the coming to an end of a major capacity expansion project, and lower import demand in response to the devaluation and accompanying restrained financial policies. The unfavorable evolution of the external current account in 1993 was attributable to the following factors: (i) a weak performance of fish exports reflecting a sharp decline in world market prices for cephalopod, which account for two thirds of fish export receipts; (ii) a fall in private transfers from the exceptionally high levels registered in 1992; and (iii) a deterioration in the balance of services. Official grants and net capital inflows were markedly higher than in 1992 despite lower project loan disbursements for SNIM in line with its reduced investment program. This reduction was offset by increased program-related assistance, a very high level of direct foreign investment in the banking system, and a surge in short-term capital inflows including unexplained capital inflows of SDR 14 million. The resulting overall balance of payments deficit declined from SDR 61 million in 1992 to SDR 19 million. Despite this improvement, the Central Bank lost SDR 12 million in reserves mainly because of the need to settle in cash part of the arrears on commercial debt so as to keep a minimum of lines of credits opened to finance imports. Arrears on public external debt were reduced to SDR 58 million as of end-1993 reflecting the rescheduling received from Paris Club creditors as well as other bilateral creditors (see subsection 2 below). Negotiations with non-Paris Club bilateral creditors continued throughout the year resulting in a small reduction in these arrears. Arrears on commercial debt were reduced to SDR 77 million at end-1993 through cash settlement and rescheduling.

On the basis of developments during the first nine months of 1994 and taking into account the further tightening of macroeconomic policies since June 1994, the external current account deficit for 1994 is projected to narrow to the equivalent of 13.8 percent of GDP. This projection is predicated on: (i) a 12 percent fall in imports, reflecting the nonrecurrence of exceptional imports of fishing vessels, a further reduction in capital import needs by SNIM, and lower import demand related to both tight demand management and increased domestic food production; (ii) marginally lower export receipts reflecting a further decline in fish exports, on account of exceptionally weak export demand and an unexpected

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<sup>1/</sup> Immediately prior to the devaluation, the Central Bank of Mauritania took over those external liabilities of commercial banks for which it had received payment in ouguiyas but which had not been honored vis-à-vis the foreign commercial bank creditors because of lack of foreign exchange.

decline in the catch, which would be partially cushioned by a further recovery in iron ore export volumes, particularly during the last quarter of the year; and (iii) more favorable balance of services owing mainly to lower debt service payments due on account of the rescheduling obtained in 1993. Official grants and net capital inflows are projected to be significantly lower than in 1993 despite lower principal falling due (reflecting the 1993 rescheduling). This decline is due principally to: (i) the emergence of short-term capital outflows, mainly reflecting trade credit payments, in contrast with the exceptionally high inflows recorded in the previous year (see subsection e. below); and (ii) a decline in long-term gross capital inflows on account of lower disbursements on import-related loans by SNIM and the nonrecurrence of the exceptionally high levels of direct investment capital for the banking system.

Reflecting these developments, the overall balance is projected to register a deficit of SDR 7 million, compared with SDR 84 million on average during 1990-92. Exceptional financing is projected at SDR 22 million, which reflects the debt rescheduling obtained during the third quarter of 1994 from bilateral creditors that are not members of the Paris Club and the expected additional rescheduling following the conclusion of ongoing negotiations before year-end (see subsection 2 below). Reflecting the above developments, arrears on external public debt, which had fallen from SDR 58 million at end-1993 to SDR 35 million at end-September 1994, are projected to decline further to SDR 21 million by year-end. Arrears on commercial debt are projected to rise by SDR 3 million to about SDR 80 million by year-end reflecting a net accumulation of arrears incurred during the third quarter of the year. The gross foreign assets of the Central Bank are projected to rise by SDR 9 million to the equivalent of 1.3 months of imports.

b. Merchandise trade

(1) Exports

Export performance has been profoundly affected by adverse developments in world markets. In 1992, lower export prices led to an 8 percent decline in export earnings (Appendix IV, Tables 47 and 48). A sharp fall in iron ore exports (29 percent), was triggered by the softening of world demand and prices. This fall was only partly compensated by the improved performance of the fisheries sector in response to the exchange rate adjustment and the modest contribution to export earnings by the coming on stream of the gold mine. Fish exports increased by 7 percent, largely reflecting a rebound in cephalopod export volumes (26 percent). In 1993, export performance was further weakened with earnings recording a 3 percent decline attributable mainly to a 17 percent fall in unit values (Appendix IV, Table 48). Although fish export volumes continued to grow strongly under the combined impact of the exchange rate adjustment and a favorable production cycle, a 27 percent decline in prices of cephalopod led to a 9 percent fall in export earnings. The lower prices reflected in part problems encountered by the marketing company SMCP. Iron ore exports rose

modestly as a 15 percent decline in prices nearly wiped out the favorable impact of strong volume growth. During the first nine months of 1994, export receipts were 7 percent lower than during the similar period in 1993 reflecting lower export volumes of fish and a further decline in the world market prices for iron ore. Fish export earnings continued to suffer despite a significant improvement in prices of cephalopod since the second quarter of the year owing to weak demand conditions, particularly in the Japanese market, and an unexpected decline in the catch. Exports of pelagic fish declined markedly as there continued to be disagreements with the foreign partners in joint ventures regarding the production-sharing formula.

(2) Imports

The evolution of imports during 1992-93 was significantly influenced by the capital import needs of SNIM and the macroeconomic policies pursued during the period. Total imports rose by 7 percent in nominal terms in 1992 mainly reflecting volume growth (Appendix IV, Tables 48-50). When imports by SNIM are excluded, the growth in the value of imports falls to 1.5 percent with most of this growth accounted for by the stockpiling of goods that occurred during the first nine months of the year in anticipation of the exchange rate adjustment. In 1993, overall imports declined by 11 percent and by 1 percent when SNIM's imports are excluded. The exceptional import of fishing vessels which had been contracted several years earlier masks a 10 percent reduction in imports, distributed among practically all categories of imports as a result of a contraction in demand. During the first nine months of 1994 imports fell significantly, although their decline came to a halt in the third quarter possibly in conjunction with temporary stock building. For the year as a whole the outlook is for an estimated 12 percent decline in the value of imports.

(3) Terms of trade

Mauritania's terms of trade declined by 4 percent in 1992 and by a further 19 percent in 1993 (Appendix IV, Table 48). A drop in the export price of the two main export commodities in 1992 was only partially offset by a decline in the overall level of import prices. The continued deterioration in 1993, stems from the sharp decline in export prices which was compounded by higher import prices.

(4) Direction of trade

Direction of trade statistics for Mauritania rely exclusively on data provided by partner trading countries. These data differ considerably from trade data gathered in Mauritania. Export of iron ore continues to be directed mainly to the European Union. Exports of cephalopod are directed primarily to Japan and those of pelagic fish to the former U.S.S.R. and more recently to a number of African countries. Imports originate mainly in Europe, with France maintaining its predominant role by supplying about one third of all imports to Mauritania, followed by Spain. The increase in the

import share by the Netherlands in 1993 is mostly accounted for by the fishing vessels. Imports from developing countries have seen a recent increase in their share of the Mauritanian market growing from 21 percent of total imports in 1991 to 25 percent in 1993 (Appendix IV, Tables 51 and 52).

c. Services

The services account deteriorated in 1992 and 1993 following an improvement in 1991 (Appendix IV, Table 53). In 1992, the deterioration reflected higher interest payments due, including notably late interest. In 1993, it was largely accounted for by lower fishing royalties and a decline in receipts of consular fees and miscellaneous private services, which outweighed a fall in import of services by the fisheries sector. Data regarding the fisheries sector is inconclusive because, as mentioned earlier, the foreign exchange record may not fully record services acquired through nonrepatriated earnings (Appendix IV, Table 54). Furthermore, the same information differs from one source to another.

d. Private and public transfers

The evolution of total transfers during 1992 and 1993 reflects, to a large extent, the behavior of Mauritanian workers' remittances in response to the introduction in late 1991 of the preferential exchange rate which privileged those transactions and to its abolition in late 1993. Total net transfers increased from SDR 50 million in 1991 to SDR 85 million in 1992, and declined to SDR 75 million in 1993. Net private transfers switched from a deficit of SDR 11 million in 1991 to a surplus of SDR 19 million in 1992, and then again to a deficit of SDR 1 million in 1993 on account of the swings in the above-mentioned remittances. Net official transfers, on the other hand, rose successively reflecting the sustained resumption of external assistance in support of Mauritanian adjustment efforts (Appendix IV, Table 55).

e. Capital account

The capital account registered increasing surpluses in 1992 and 1993. In 1992, higher disbursements of official loans on account of increased financing requirements by SNIM more than compensated for higher amortization payments due. At the same time, small repayments on trade credits were fully offset by unexplained capital inflows--in contrast to the high capital outflows recorded in 1991--and a modest increase was registered in direct investment. In 1993, program-related lending increased sharply, more than offsetting the decline in project-related financing to SNIM as the above-mentioned investment neared its completion. Direct investment also rose to an exceptionally high level as capital injections in two domestic banks became necessary as part of the reform of the banking system. Short-term capital inflows amounted to SDR 24 million consisting of short-term financing for the import of fishing vessels and the re-emergence of unexplained capital inflows amounting to about SDR 15 million.

## 2. External debt

The total outstanding external debt of Mauritania averaged about SDR 1.56 billion during 1991-93 reaching the equivalent of 230 percent of GDP as of end-1993 (Appendix IV, Table 56). The contracting of new medium- and long-term borrowing continued to be limited to loans at highly concessional terms (Appendix IV, Table 57). With regard to the composition of outstanding debt, there was an increase in the relative importance of borrowing from multilateral creditors (in particular the African Development Bank, the African Development Fund, and the European Investment Fund) with their share increasing from 34 percent of the total in 1991 to 40 percent in 1992 and 1993. Outstanding debt to bilateral creditors decreased in 1992 across the board (Appendix IV, Table 58). In 1993, however, it increased with Japan recording a significant rise in its share of total loans. In terms of the composition of the debt by domestic debtors, the outstanding debt of the Central Government declined in importance in 1992 relative to the debt of public enterprises as the combined borrowing by SNIM and SONELEC increased sharply. In 1993, however, the share of the Government rose again reflecting increased borrowing related to programs and projects combined with net repayments mostly by SONELEC (Appendix IV, Table 59).

In January 1993, Mauritania was granted a debt rescheduling from Paris Club creditors on enhanced concessional terms offered to low income countries. The consolidated amounts included outstanding arrears and maturities due in 1993 and 1994 and included pre-cut-off date debt, debt not previously rescheduled and debt previously rescheduled at nonconcessional terms. In addition, some Middle Eastern and Asian bilateral creditors who are not members of the Paris Club also agreed to reschedule external debt obligations later in 1993. As mentioned earlier, negotiations with other non-Paris Club creditors continued during 1993 and 1994 but did not lead to agreement that year thus preventing the full elimination of arrears (Appendix IV, Table 45).

## 3. Exchange and trade system

During 1992-94, Mauritania's exchange and trade system has been substantially liberalized. A comprehensive description of the system as of December 31, 1993 and of the changes introduced during 1993 is contained in the 1994 Annual Report on Exchange Arrangements and Exchange Restrictions. The measures taken during the period January-November 1994 to further liberalize the system are described in Appendix III. They include, amongst others: (i) reduced reliance on surrender requirements of foreign exchange by exporters to the banking system and by commercial banks to the Central Bank; and (ii) simplification of procedures for: the delegation of power by commercial banks to authorized nonbank establishments to buy foreign exchange currency, the opening of foreign currency-denominated accounts by exporters at domestic banks, and the making of certain current payments.

The currency of Mauritania is the Mauritanian ouguiya. Since October 1992, a two-tier exchange system has been operating, not including the parallel market. The official exchange rate for the ouguiya is determined

on the basis of a basket of currencies comprising the Belgian franc, the Deutsche mark, the French franc, the Italian lira, the Spanish peseta, and the U.S. dollar. The relative weights assigned to these currencies are based on transactions and are revised from time to time. The level of the official exchange rate is kept under review, taking into account a broad range of indicators, and is adjusted as necessary. On November 30, 1994, the midpoint exchange rate of the ouguiya in terms of the U.S. dollar was UM 126.95 per US\$1.

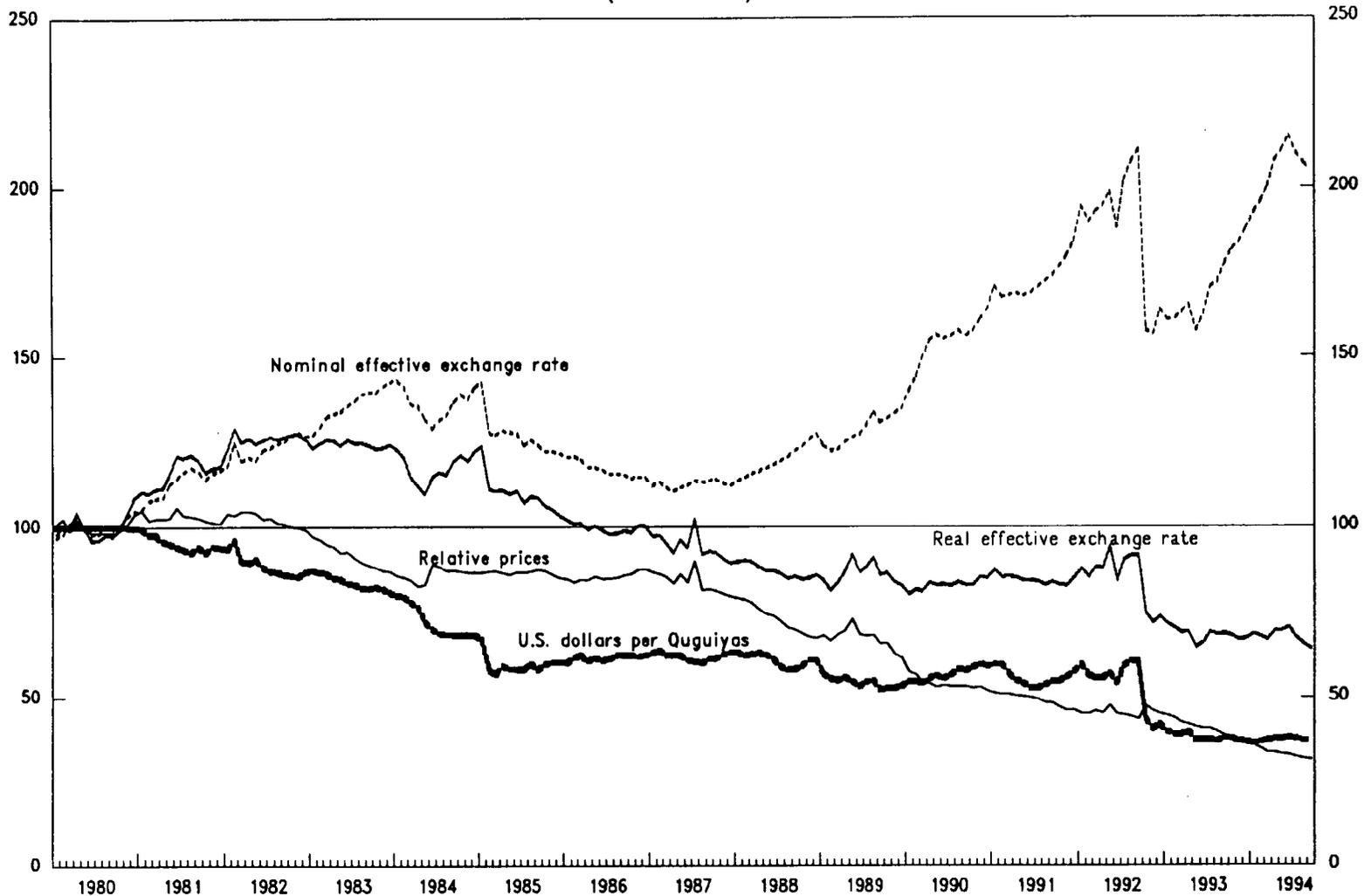
A limited market for foreign currency notes and traveler's checks at the level of commercial banks has been operating since October 1992, where the buying and selling rates are freely determined. Purchases of foreign exchange are on a no-questions-asked basis and sales are made without limits for bona fide payments for invisible transactions (e.g., travel, medical, and educational expenses). The BCM sells foreign currency notes and traveler's checks only for official travel and for other purposes judged exceptional. The average commercial bank rate is applied to remittances of Mauritanian workers residing abroad. There are no taxes or subsidies on purchases of foreign exchange. As of end-November 1994, the average rate at the free market exceeded the official rate by a margin of less than 2 percent.

Outside the official two-tier system, there exists a parallel market which is tolerated and about which information is limited. The major sources of funding seem to be border trade (Senegal and Mali) and remittances from Mauritanians living abroad. In this market, the exchange rate exhibits substantial fluctuations so that the premium with respect to the official rate has ranged from as little as 3 percent to 20 percent over the past two years. As of end-November 1994, the margin was about 10 percent over the official rate.

Mauritania has eliminated the exchange restriction on payments and transfers for current international transactions that was maintained in accordance with the transitional arrangements under Article XIV, Section 2. There remain restrictions that are subject to approval under Article VIII, Section 2(a) evidenced by arrears on external payments. Mauritania also maintains multiple currency practices subject to Article VIII, Section 3 arising from the existence of an official rate pegged to a basket of currencies simultaneously with an exchange rate in the free market for foreign banknotes and traveler's checks and transactions in a parallel market that are officially recognized.

Calculations based on the Fund's Information Notice System (INS) show that the external value of the ouguiya depreciated in real effective terms by 30 percent between September 1992 and September 1994 (Chart 1). Most of this depreciation took place in late 1992 and was maintained through 1993. During the first 9 months of 1994, the real effective exchange rate depreciated by 4 percent as a 5 percent appreciation during the second quarter was more than offset by a depreciation during the third quarter.

CHART 1  
 MAURITANIA  
 REAL AND NOMINAL EFFECTIVE EXCHANGE RATES, 1980-94  
 (1980 = 100)



Source: International Monetary Fund, Information Notice System.

Mauritania: List of Major Public Enterprises  
and Administrative Agencies, September 30, 1994

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Rural development

CNARDA:	Centre National de Recherche Agronomique et de Développement Agricole
CNERV:	Centre National d'Elevage et de Recherche Vétérinaire
CSA:	Commissariat à la Sécurité Alimentaire
SAMALIDA:	Société Arabe Mauritanienne-Libyenne de Développement Agricole
SOMECOB:	Société Mauritanienne pour la Commercialisation du Bétail
SONADER:	Société Nationale de Développement Rural

Fisheries

ALMAP:	Algéro-Mauritanienne de Pêche
CNROP:	Centre National de la Recherche Océanographique et des Pêches
MAUSOV:	Mauritanienne Soviétique des Ressources Maritimes
SALIMAUREM:	Société Arabe-Liby-Mauritanienne des Ressources Maritimes
SIMAR:	Société Industrielle Mauritano-Roumaine de Pêche
SMCP:	Société Mauritanienne de Commercialisation du Poisson

Mining and utilities

MORAK:	Mines d'or d'Akjoujt
SAFA:	Société Arabe du Fer et de l'Acier
SAMIA:	Société Arabe des Industries Métallurgiques
SAMIN:	Société Arabe des Mines de l'Inchiri
SNIM:	Société Nationale Industrielle et Minière
SONELEC:	Société Nationale d'Eau et d'Electricité

Manufacturing

SOMAGAZ:	Société Mauritanienne des Gaz
SOMIR: <u>1/</u>	Société Mauritanienne des Industries de Raffinage

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1/ The name has been recently changed to NAFTAL, S.A.

Mauritania: List of Major Public Enterprises  
and Administrative Agencies, September 30, 1994 (continued)

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Transport

AM: Air Mauritanie  
ASECNA: Agence pour la Sécurité de la Navigation Aérienne  
COMAUNAM: Compagnie Mauritanienne de Navigation Maritime  
PAN: Port Autonome de Nouadhibou  
PANPA: Port Autonome de Nouakchott, known as "Port de  
l'Amitié"  
SAMMA: Société d'Aconage et de Manutention  
SOMACAT: Société de Manutention, Transit et Aconage  
SOMATRA (ex-STPN): Société Mauritanienne des Transports

Communications

AMI: Agence Mauritanienne d'Information  
IN: Imprimerie Nationale  
OPT: Office des Postes et Télécommunications  
RM: Radio de Mauritanie  
TVM: Télévision de Mauritanie

Distribution

MEPPA: Mauritanienne d'Entreposage des Produits Pétroliers  
SMCPP: 1/ Société Mauritanienne de Commercialisation  
des Produits Pétroliers  
SONIMEX: Société Nationale d'Importation et d'Exportation

Financial institutions

BALM: 2/ Banque Arabe-Libyenne en Mauritanie  
BCM: Banque Centrale de Mauritanie  
BMCI: Banque Mauritanienne pour le Commerce International  
BNM: Banque Nationale de Mauritanie  
SMAR: 3/ Société Mauritanienne d'Assurances et de Réassurances

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1/ The name has been recently changed to NAFTEC, S.A.  
2/ The name has been recently changed to Chinguitty Bank.  
3/ The name has been recently changed to NASR (Nationale d'Assurances  
et de Réassurances).

Mauritania: List of Major Public Enterprises  
and Administrative Agencies, September 30, 1994 (concluded)

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Other services

Education

CFPP:	Centre de Formation et de Perfectionnement Professionnels
CNAJ:	Centre National de Formation et d'Animation de la Jeunesse
CSET:	Centre Supérieur d'Enseignement Technique
ENA:	Ecole Nationale d'Administration
ENFVA:	Ecole Nationale de Formation et de Vulgarisation Agricole
ENI:	Ecole Nationale des Instituteurs
ENISF:	Ecole Nationale des Infirmières et Sage-Femmes
ENS:	Ecole Normale Supérieure
ILN:	Institut de Langues Nationales
IMRS:	Institut Mauritanien de Recherches Scientifiques
IPN:	Institut Pédagogique National
ISERI:	Institut Supérieur de Recherches Islamiques
ISS:	Institut Supérieur Scientifique
LTN:	Lycée Technique National
UN:	Université de Nouakchott

Other

ADAU:	Association pour le Développement de l'Architecture et de l'Urbanisme
CCIA:	Chambre de Commerce
CEPI:	Centre d'Etudes et de Promotion Industrielle
CNH:	Centre National d'Hygiène
CNORF:	Centre National d'Orthopédie et de Réadaptation Fonctionnelle
CNSS:	Caisse Nationale de Sécurité Sociale
CRM:	Croissant Rouge Mauritanien
LNTP:	Laboratoire National des Travaux Publics
OCO:	Office du Complexe Olympique
OMAT:	Office Mauritanien de l'Artisanat et du Tourisme
OMRG:	Office Mauritanien de Recherche Géologique
ONACVG:	Office National des Anciens Combattants et Victimes de Guerre
SOCOGIM:	Société de Construction et de Gestion Immobilière en Mauritanie

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Source: Information provided by the Mauritanian authorities.

Mauritania: Summary of the Tax System, 1994

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<u>Central Government</u>			
1. <u>Taxes on income and net profits</u>			
1.1 <u>Corporate</u>	There are no corporate taxes as such. The schedular tax described in 1.11 below is levied on companies as well as individuals.		
1.11 Tax on industrial and commercial profits and on agricultural profits (BIC)--General Tax Code, 1982 (CGI)	Schedular tax levied on the profits of joint-stock companies, limited liabilities, and public enterprises. Nonresidents are taxed on profits earned in Mauritania. Tax returns must be signed within three months of the close of the fiscal year, and the tax must be paid within the month following the deadline for filing tax returns.	Cooperative companies and bodies authorized in accordance with Law No. 67/171 of July 18, 1967 are exempt. Capital gains are not taxable if they are reinvested within three years.	40 percent.
1.12 Minimum lump-sum tax (IMF)--CGI	Based on the turnover of the last completed fiscal year. One fourth (50 percent for banks, SONIMEX, and the fishing sector) can be deducted from the amount of BIC payable (see 1.11).	See 1.11 above.	Since 1986, 4 percent of turnover with minimum of UM 300,000; 2 percent for fishing sector. With 1989 finance law, minimum lowered to UM 240,000. 25 percent of IMF can be deducted from BIC.
1.13 Tax on income from securities (IRCM)--CGI	Levied on dividends and interest from shares, stocks and bonds, and on attendance fees and bonuses. Withheld at source.		Normal rate: 16 percent.

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.14 Tax on real estate (IRF)--CGI	Levied on income from real estate.	Income from real estate included in the profits of an industrial, commercial, or small enterprise is subject only to BIC. A lump-sum deduction of 30 percent is made from gross real estate income. Real estate income not exceeding UM 50,000 is exempt.	10 percent.
1.2 <u>Individual</u>			
1.21 Tax on industrial, commercial, and agricultural profits (BIC)	Levied on profits of individuals in the manner described in 1.11. With 1989 finance law, taxpayers whose annual turnover does not exceed UM 3.0 million if they sell merchandise, or UM 1.5 million if they provide services, are eligible for the lump-sum arrangement; taxpayers whose annual turnover is between UM 3 million and UM 6 million, if they sell merchandise, or UM 1.5 million and UM 3 million, if they provide services, are eligible for the simplified tax schedule.		40 percent.
1.22 Minimum lump-sum tax on individuals	Levied on individuals subject to BIC and BNC on actual profit. Importers are also subject to a 4 percent tax (2 percent for the fishing sector) on the value of their imports, one fourth of which can be deducted from the BIC payable the following fiscal year.		See 1.12 above.
1.23 Tax on income from securities	See 1.13 above.	See 1.13 above.	See 1.13 above.

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates	
1.24 Tax on noncommercial profits (BNC)--CGI	Levied on persons exercising a liberal profession who are not subject to another schedular tax; the minimum lump-sum tax is also applicable.	Since 1989 finance law, minimum of UM 120,000; 25 percent of IMF can be deducted from BIC.	35 percent.	
1.25 Tax on wages, salaries, pensions, and life annuities--CGI	Levied on wages, salaries, pensions, annuities, indemnities, fees, and benefits in kind. Withheld at source.	Family allowances, special indemnities (up to UM 10,000 a month), and pensions paid to disabled soldiers, war veterans, and victims of occupational accidents are exempt. Retirement plan contributions and some similar social plan contributions may be deducted from gross amounts received.	Monthly payment (UM)	Tax rate (percent)
			Up to 4,000	0
			From 4,001 to 6,000	6
			From 6,001 to 10,000	9
			From 10,001 to 20,000	16
			From 20,001 to 25,000	21
			From 25,001 to 30,000	23
			From 30,001 to 40,000	26
			From 40,001 to 60,000	30
			From 60,001 to 80,000	33
			From 80,001 to 100,000	35
			Over 100,000	39
1.26 Tax on income from real estate--CGI	See 1.14 above. 30 percent deduction. Revenues lower than UM 50,000 exonerated.	See 1.14 above.	See 1.14 above.	
1.27 General income tax (IGR)--CGI	Levied on total net income, regardless of source, of individuals whose customary residence or principal abode is in Mauritania or of individuals whose activity is chiefly performed there.	The tax is based on income as calculated for schedular tax purposes (after a 10 percent deduction from wages). One split is allowed for a spouse and one half split for each dependent child, up to five splits per family. The rates shown in the next column are applied separately to each split and the total tax payable by the family unit is equal to the sum of the amount due for each split. Since 1986, salaries are exonerated.	Income brackets (one split) (UM)	Rate (percent)
			Up to 120,000	0
			From 120,001 to 180,000	5
			From 180,001 to 380,000	10
			From 380,001 to 500,000	15
			From 500,001 to 700,000	20
			From 700,001 to 1,000,000	25
			From 1,000,001 to 1,350,000	30
			From 1,350,001 to 1,850,000	35
			From 1,850,001 to 2,500,000	40
			From 2,500,001 to 2,900,000	45
			From 2,900,001 to 4,000,000	50
			Over 4,000,000	55

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates																				
2. <u>Social security contributions</u>																							
Law 67/039 of February 3, 1967	Covers: (1) family benefits; (2) occupational hazards; and (3) retirement. The maximum monthly wage for contribution purposes is UM 30,000.		<table border="0"> <thead> <tr> <th data-bbox="1332 509 1485 526"><u>Contributions</u></th> <th data-bbox="1625 483 1736 526"><u>Percentage of wages</u></th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="1332 558 1506 574"><u>Family benefits</u></td> </tr> <tr> <td data-bbox="1332 607 1427 623">Employer</td> <td data-bbox="1678 607 1689 623">9</td> </tr> <tr> <td data-bbox="1332 630 1427 646">Employee</td> <td data-bbox="1668 630 1689 646">--</td> </tr> <tr> <td colspan="2" data-bbox="1332 678 1566 695"><u>Occupational hazards</u></td> </tr> <tr> <td data-bbox="1332 727 1427 743">Employer</td> <td data-bbox="1678 727 1689 743">2</td> </tr> <tr> <td data-bbox="1332 750 1427 766">Employee</td> <td data-bbox="1668 750 1689 766">--</td> </tr> <tr> <td colspan="2" data-bbox="1332 799 1449 815"><u>Retirement</u></td> </tr> <tr> <td data-bbox="1332 847 1427 863">Employer</td> <td data-bbox="1678 847 1689 863">2</td> </tr> <tr> <td data-bbox="1332 870 1427 886">Employee</td> <td data-bbox="1678 870 1689 886">1</td> </tr> </tbody> </table>	<u>Contributions</u>	<u>Percentage of wages</u>	<u>Family benefits</u>		Employer	9	Employee	--	<u>Occupational hazards</u>		Employer	2	Employee	--	<u>Retirement</u>		Employer	2	Employee	1
<u>Contributions</u>	<u>Percentage of wages</u>																						
<u>Family benefits</u>																							
Employer	9																						
Employee	--																						
<u>Occupational hazards</u>																							
Employer	2																						
Employee	--																						
<u>Retirement</u>																							
Employer	2																						
Employee	1																						
3. <u>Employer's payroll taxes</u>																							
3.1 <u>Apprenticeship tax--CGI</u>	Levied on total wages paid by companies or individual operators engaged in industrial, commercial, or agricultural activities.	Employers making arrangements for technical instruction or apprenticeship are exempt. A tax reduction of up to UM 400 is allowed on sums paid to apprentices, up to an amount representing 50 percent of the tax normally due.	0.6 percent of total wages paid.																				
4. <u>Taxes on property</u>																							
4.1 <u>Real estate taxes</u>																							
4.11 Tax on improved land--CGI	Levied on improved properties, including permanent installation in commercial premises and uncultivated land used for commercial or industrial purposes. Based on rental value.	Permanent exemptions: buildings belonging to the Government, local governments and public entities, buildings used for medical, educational or social welfare purposes, and straw huts. A 30 percent deduction is granted on the fixed rental value to allow for expenses.	3 percent: owner-occupied buildings maintained as principal residence. 10 percent: buildings not rented, inhabited, or used by their owner. 10 percent: buildings rented. 9 percent: other buildings.																				

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
4.2 <u>Transfer taxes--CGI</u>	Levied on inheritance settlements among heirs and on transfers of real property, business assets, and shares in companies.	Acquisitions by local government agencies, including regional financial groups, the Central Bank of Mauritania, the Development Bank, the Savings Bank, the National Social Security Fund, cooperative companies, mutual societies, companies in which the Government holds at least 51 percent of the capital, and gifts between spouses and between lineal relatives are exempt.	0.5 percent on divisions between coinheritors, co-owners and co-associates. 5 percent for buildings. 12 percent for businesses. 2 percent for goods related to businesses.
4.3 <u>Livestock tax--CGI</u>	Levied on beef cattle, horses, camels, donkeys, sheep, and goats.	Livestock farmers whose income is derived exclusively from: - 50 goats or sheep - 20 beef cattle - 15 camels	Rate varies from UM 20 to UM 250 per head.
5. <u>Domestic taxes on goods and services</u>			
5.1 <u>General sales, turnover, or value-added taxes</u>			
5.11 Turnover tax--CGI and customs tariff	Levied on the value of imports, specific services, and domestic sales of products. Imports are taxed on c.i.f. value plus customs and fiscal duties.	The following are exempt: air, sea, and river transport operations, fishing boats, nets, cereals, foodstuffs, bread, and fruit. Also exempt are resales of products on which the tax has already been paid, insurance company transactions subject to a separate tax (see 5.31 below), periodicals, and public transport operations. A deduction based on the "delivered warehouse" cost is allowed for intermediate goods totally or partially incorporated in taxable finished products.	<p>Tax rates:</p> <p><u>Domestic sales:</u> General rate: 10 percent net of taxes. Reduced rate: 4 percent net of taxes on sales by public utilities.</p> <p><u>Imports:</u> General rate: 13 percent. Reduced rates: 5 and 8 percent. Increased rate: 23 percent.</p> <p><u>Services:</u> 16 percent.</p>

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.2	<u>Excises</u>		
5.21	Tax on petroleum products--CGI	Fuel delivered to ocean-going ships, fishing vessels, and commercial airlines is exempted, but subject to the tax on company margins (ISMS). The ISMS rates are as follows: Regular gasoline: UM 850 per hectoliter. Premium gasoline: UM 800 per hectoliter. Gas-oil: UM 120 per hectoliter. SNIM: UM 50 per ton.	Premium gasoline: UM 2,315 per hectoliter. Regular gasoline: UM 2,429 per hectoliter. Fuel oil: UM 220 per hectoliter. Heavy oils: UM 800 per metric ton. Greasing and lubricating oils: UM 4,200 per metric ton. Liquefied gas: UM 1,040 per metric ton.
5.22	Other excises.	Levied on alcoholic beverages, tobacco products, tea, and sugar.	Hard liquors: 294 percent of customs value. Sparkling wines: 229 percent of customs value. Beer: 195 percent of customs value. Cigarettes and cigars: Between 24 and 40 percent of c.i.f. value. Tea: UM 120 per kilogram. Sugar in lump: 18 percent of c.i.f. value. Tobacco leaves: 15 percent of customs value. Cement: UM 2 per kilogram.
5.3	<u>Taxes on specific services</u>		
5.31	Tax on insurance premiums--CGI	Levied annually on premiums collected by insurance companies.  Reinsurance operations, occupational accident insurance premiums, and premiums collected by cooperative companies are exempt.	Fire insurance: 10 percent. Sea transportation and associated risks of all nature: 5 percent. River or air transportation and associated risks of all nature: 10 percent. Life annuity contract: 10 percent. Export credit insurance: 0.1 percent. Other insurance: 10 percent.
5.32	Tax on movies--CGI	Levied on gross receipts of movie houses or from movie rentals.	1.5 percent on turnover. UM 5 per ticket sold.

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.4	<u>Taxes on use of or permission to use goods or to perform activities</u>		
5.41	Tax on motor vehicles--CGI	Levied yearly on motor vehicles and based on horsepower.	Vehicles belonging to the Government, local governments, and diplomats are exempt. Rates vary from UM 2,700 to UM 15,600.
5.42	Business license tax--CGI (collected for local governments)	Annual tax payable by individuals and corporations regularly exercising an industrial or commercial occupation or craft or an industry not expressly exempted in Mauritania.	The Central Government, regional governments, artists, mine operators, fishermen, associates in partnerships, limited partnerships, or limited liability companies, and craftsmen are exempt. The tax is composed of two fees: (i) a fixed fee whose rate ranges from UM 25,000 to UM 500,000 according to 13 different classes depending on the overall turnover for the preceding year; (ii) a proportional fee at the rate of 5 percent of the rental value of premises where the taxable activity is exercised.
5.43	Other business license tax--CGI (not collected)	Annual tax payable by persons or companies selling alcoholic or fermented beverage, wholesale or retail, for consumption on or off premises.	UM 25,000.
5.44	Airport tax	Levied on airplane tickets for foreign destinations.	- Babies less than two years of age - Airline personnel 4,000 ouguiyas per ticket sold for foreign destinations.
6.	<u>Taxes on international trade and transactions</u>		
6.1	<u>Import duties</u> (customs tariff)		
6.11	Customs duties	Levied on imports on the basis of their c.i.f. value or their administrative value as determined by the Customs Department.	Certain capital goods and various consumer goods, such as tea, salt, and medicines, are exempt. All imports from CEAQ (West African Economic Community) member countries not subject to the regional cooperation tax, and some imports from Morocco, Algeria, Tunisia, and the EU, also are exempt. General rate: 15 percent. Reduced rate: 5 percent.

Mauritania: Summary of the Tax System, 1994 (continued)

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6.12 Import duty	Levied on the same basis as the customs duties referred to in 6.11.	Various exemptions are allowed.	Rates vary from 5 percent to 166 percent.
6.13 TCA on imports	Levied on imports on the basis of c.i.f. customs value.	Various exemptions are allowed.	Normal rate: 13 percent. Increased rate: 23 percent.
6.14 Regional cooperation tax (TCR)	Levied on certain industrial products imported from CEAO member countries in lieu of import duties levied on other imports as described above (6.11 and 6.12); special treatment granted by the CEAO Council of Ministers on a case-by-case basis.		Specific rates or ad valorem rates apply, depending on the case.
6.15 Statistical tax	Levied on imports on the basis of c.i.f. customs value.	Various exemptions are allowed.	3 percent
6.2 <u>Export duties</u> (customs tariff)			
6.21 Export duty	Levied on the f.o.b. value of exports.	All goods originating other than in Mauritania are exempt on export or re-export.	This tax is not currently collected.
6.22 Export tax on fish	Levied on f.o.b. value of exports of fish and crustaceans.		Rates vary from 6.5 percent to 20 percent.
7. <u>Other taxes</u>			
7.1 <u>Stamp taxes</u>	Mandatory use of stamps on legal documents drawn up for various acts.		Fixed or proportional taxes, depending on the type of document used.

Mauritania: Summary of the Tax System, 1994 (concluded)

(All amounts in ouguiyas)

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Summary of the Investment Code, January 1989

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The 1989 Investment Code replaces the 1979 Code and clearly redefines the Government's economic priorities and the advantages that should be extended to qualified investors. The list of priorities comprises agro-industry, fishing, mining, construction, maritime transport, low-rent housing construction, utilities, and tourism. The selection criterion is the project's contribution to the national economy, with particular emphasis on promotion of small and medium-size enterprises; development of exports of products manufactured in Mauritania; increased use of domestic resources; investment in the interior of Mauritania; and promotion of foreign investments. There are two regimes: priority enterprises and enterprises granted tax agreement. To be eligible for the priority scheme the investments must represent a new undertaking; or an expansion of an existing activity (increase of 30 percent in number of employees, or increase of 40 percent in assets). To be eligible for the agreement scheme the value of the investment must be more than UM 500 million implemented over four years and create at least 200 new jobs during the first two years of production.

Priority enterprises and enterprises granted tax agreement are exempt from the BIC on 40 percent of their profits during the first six years of production, as long as the exempted amount is reinvested in the enterprise or in another priority enterprise within three years. Priority enterprises also benefit for a limited period of time from a reduction in the BIC rates, which vary according to the location of the investment. During the first six years of production, the rate of the TPS is reduced by 5 percent on bank loans obtained to finance the investment; for investment in the interior of the country, benefits include preferential discount rate, exemption from business license tax, and sale of land at below market prices; for enterprises exporting products manufactured in Mauritania, benefits include preferential discount rate for export credits, 50 percent reduction in TPS rates on export credits, permission to open foreign exchange accounts to deposits up to 20 percent of export earnings.

Under the tax agreement regime, enterprises are guaranteed a stable direct taxation system for ten years. Other general advantages can be only on real estate taxes, user taxes, trading licenses, and tax on income from securities, from which enterprises can be exempted during the first six years of production.

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Sources: General Tax Code of May 24, 1982; Investment Code; Customs Tariff; Fiduciaire France-Afrique, Fiscalité Africaine; Mémento fiscal and social de la République Islamique de Mauritanie, 1983; International Bureau of Fiscal Documentation, African Tax System, 1983; and information provided by the Mauritanian authorities.

Changes in the Exchange and Trade System During January-November 1994

March 30: Exporters were authorized to open foreign currency-denominated accounts allowing them to retain 10 percent of export proceeds and 5 percent of export of services.

March 30: Commercial banks were authorized to constitute a foreign exchange position in accounts with foreign correspondents that the Central Bank had opened abroad in its own name and that of the domestic bank.

August 23: Regulations pertaining to the sale of tickets to residents and nonresidents by air transportation companies were updated and clarified.

September 15: The requirement of prior authorization by the Central Bank of Mauritania relating to the delegation of power by the commercial banks to authorized nonbank establishments to buy foreign exchange currency was abolished.

September 26: The requirement of prior authorization by the Central Bank to make certain payments on current transactions (subscription to foreign publications, courses by correspondence, contribution for retirement funds payable abroad, tuition payments overseas, and reimbursement of foreign exchange to nonresident foreigners who have exchanged into ouguiyas all or part of the foreign exchange declared upon entering Mauritania) was abolished.

September 26: Exporters were authorized to open foreign currency-denominated accounts in more than one domestic bank.

October 30: Exporters were authorized to retain in their foreign currency-denominated accounts 20 percent of the proceeds from export of goods and 10 percent of proceeds from export of services.

Table 1. Mauritania: Gross Domestic Product by Sector of Origin at Constant 1985 Prices, 1989-93

	1989	1990	1991	1992	1993
<u>(In million of ouguiyas)</u>					
Primary sector	12,568	11,741	12,232	12,454	13,659
Agriculture	3,022	1,775	1,988	1,889	2,927
Livestock	8,999	9,485	9,722	9,965	10,065
Fishing	547	481	522	601	667
Secondary sector	18,446	17,211	17,111	16,735	17,915
Mining	8,879	7,995	7,424	5,939	6,664
Manufacturing and handicrafts	5,967	5,466	5,806	6,449	6,804
Fishing	3,594	3,181	3,496	4,024	4,265
Other industries	2,253	2,165	2,184	2,293	2,401
Handicrafts	120	120	126	132	139
Construction and public works	3,600	3,750	3,881	4,347	4,447
Tertiary sector	24,167	25,052	26,040	27,059	27,249
Commerce and other services	7,213	7,650	7,975	8,533	8,661
Transport and communications	3,474	3,694	3,879	4,131	4,193
Other services	3,251	3,316	3,482	3,691	3,691
Public administration	10,229	10,392	10,704	10,704	10,704
GDP (at factor cost)	55,181	54,004	55,383	56,249	58,823
Indirect taxes	5,283	5,389	5,561	5,733	6,169
GDP (at market prices)	60,464	59,393	60,944	61,982	64,992
Annual growth rate (in percent)	4.8	-1.8	2.6	1.7	4.9
<u>(Shares of GDP in percent)</u>					
Primary sector	20.8	19.8	20.1	20.1	21.0
Agriculture	5.0	3.0	3.3	3.0	4.5
Livestock	14.9	16.0	16.0	16.1	15.5
Fishing	0.9	0.8	0.9	1.0	1.0
Secondary sector	30.5	29.0	28.1	27.0	27.6
Mining	14.7	13.5	12.2	9.6	10.3
Manufacturing and handicrafts	9.9	9.2	9.5	10.4	10.5
Fishing	5.9	5.4	5.7	6.5	6.6
Other industries	3.7	3.6	3.6	3.7	3.7
Handicrafts	0.2	0.2	0.2	0.2	0.2
Construction and public works	6.0	6.3	6.4	7.0	6.8
Tertiary sector	40.0	42.2	42.7	43.7	41.9
Commerce and other services	11.9	12.9	13.1	13.8	13.3
Transport and communications	5.7	6.2	6.4	6.7	6.5
Other services	5.4	5.6	5.7	6.0	5.7
Public administration	16.9	17.5	17.6	17.3	16.5
GDP (at factor cost)	91.3	90.9	90.9	90.7	90.5
Indirect taxes	8.7	9.1	9.1	9.3	9.5
GDP (at market prices)	100.0	100.0	100.0	100.0	100.0

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

Table 2. Mauritania: Growth of Output by Sector, 1989-93

(In percent)

	1989	1990	1991	1992	1993
Primary sector	1.1	-6.6	4.2	1.8	9.7
Agriculture	8.6	-41.3	12.0	-5.0	55.0
Livestock	2.3	5.4	2.5	2.5	1.0
Fishing	-35.6	-12.1	8.5	15.1	11.0
Secondary sector	12.4	-6.7	-0.6	-2.2	7.1
Mining	50.0	-10.0	-7.1	-20.0	12.2
Manufacturing and handicrafts	-2.9	-8.4	6.2	11.1	5.5
Fishing	-8.0	-11.5	9.9	15.1	6.0
Other industries	6.0	-3.9	0.9	5.0	4.7
Handicrafts	6.2	--	5.0	5.0	4.7
Construction and public works	-17.3	4.2	3.5	12.0	2.3
Tertiary sector	3.0	3.7	3.9	3.9	0.7
Commerce and other services	2.8	6.1	4.3	7.0	1.5
Transport and communications	5.7	6.3	5.0	6.5	1.5
Other services	7.4	2.0	5.0	6.0	--
Public administration	0.9	1.6	3.0	--	--
GDP at factor costs	5.5	-2.1	2.6	1.6	4.6
Indirect taxes	-2.0	2.0	3.2	3.1	7.6
GDP at market prices	4.8	-1.8	2.6	1.7	4.9

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

Table 3. Mauritania: Gross Domestic Product at Current Prices, 1989-93

	1989	1990	1991	1992	Est. 1993
	(In millions of ouguiyas)				
Primary sector	23,509	21,825	23,994	25,561	27,106
Agriculture	4,625	2,877	3,568	3,564	4,446
Livestock	17,971	18,317	19,471	20,876	21,094
Fishing	913	631	955	1,121	1,566
Secondary sector	21,873	21,229	23,721	25,022	30,765
Mining	9,474	9,085	9,820	7,909	10,447
Manufacturing and handicrafts	8,527	7,575	8,537	10,162	12,669
Fishing	5,381	4,100	4,672	5,488	7,378
Other industries	3,010	3,325	3,700	4,482	5,066
Handicrafts	136	150	165	192	225
Construction and public works	3,872	4,569	5,364	6,952	7,649
Tertiary sector	28,284	30,635	35,404	42,636	44,107
Commerce and other services	9,649	10,942	12,426	15,311	15,956
Transport and communications	3,711	4,227	5,734	7,066	7,422
Other services	4,593	4,864	5,988	7,309	7,539
Public administration	10,331	10,602	11,256	12,950	13,191
GDP (at factor cost)	73,666	73,689	83,119	93,220	101,978
Indirect taxes	7,851	8,500	9,500	10,393	12,472
GDP (at market prices)	81,517	82,189	92,619	103,613	114,450
Annual change (in percent)	13.1	0.8	12.7	11.9	10.5
GDP deflator (annual change, in percent)	8.0	2.6	9.8	10.0	5.3
	(Shares of GDP in percent)				
Primary sector	28.8	26.6	25.9	24.7	23.7
Agriculture	5.7	3.5	3.9	3.4	3.9
Livestock	22.0	22.3	21.0	20.1	18.4
Fishing	1.1	0.8	1.0	1.1	1.4
Secondary sector	26.8	25.8	25.6	24.1	26.9
Mining	11.6	11.1	10.6	7.6	9.1
Manufacturing and handicrafts	10.5	9.2	9.2	9.8	11.1
Fishing	6.6	5.0	5.0	5.3	6.4
Other industries	3.7	4.0	4.0	4.3	4.4
Handicrafts	0.2	0.2	0.2	0.2	0.2
Construction and public works	4.7	5.6	5.8	6.7	6.7
Tertiary sector	34.7	37.3	38.2	41.1	38.5
Commerce and other services	11.8	13.3	13.4	14.8	13.9
Transport and communications	4.6	5.1	6.2	6.8	6.5
Other services	5.6	5.9	6.5	7.1	6.6
Public administration	12.7	12.9	12.2	12.5	11.5
GDP (at factor cost)	90.4	89.7	89.7	90.0	89.1
Indirect taxes	9.6	10.3	10.3	10.0	10.9
GDP (at market prices)	100.0	100.0	100.0	100.0	100.0

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

Table 4. Mauritania: Supply and Use of Resources at Current Prices, 1989-93

	1989	1990	1991	1992	1993
(In billions of ouguiyas)					
Supply of resources	127.8	132.1	141.1	157.6	182.5
Gross domestic product	81.5	82.2	92.6	103.6	114.5
Imports of goods and nonfactor services	46.3	49.9	48.4	53.9	68.0
Use of resources	127.8	132.1	141.1	157.6	182.5
Gross domestic expenditure	86.4	94.0	100.0	117.3	130.2
Consumption	71.2	77.6	83.3	96.1	103.4
Central Government	8.1	9.1	10.1	10.8	12.5
Private 1/ 2/	63.1	68.5	73.3	85.3	90.9
Gross investment	15.1	16.4	16.6	21.2	26.8
Central Government	4.5	5.1	4.8	4.7	6.5
Private sector 1/ 3/	10.6	11.2	11.9	16.5	20.2
Of which: SNIM	2.8	2.2	5.3	8.6	9.7
Exports of goods and nonfactor services	41.4	38.1	41.1	40.2	52.3
Memorandum items:					
Domestic savings	10.3	4.6	9.3	7.5	11.1
Resource gap	4.8	11.8	7.3	13.7	15.7
Factor income (net) 4/	-7.0	-5.9	-6.3	-3.4	-8.4
Gross national savings	3.3	-1.3	3.0	4.0	2.6
(In percent of GDP)					
Supply of resources	156.7	160.7	152.3	152.1	159.5
Gross domestic product	100.0	100.0	100.0	100.0	100.0
Imports of goods and nonfactor services	56.7	60.7	52.3	52.1	59.5
Use of resources	156.7	160.7	152.3	152.1	159.5
Gross domestic expenditure	105.9	114.3	107.9	113.2	113.7
Consumption	87.4	94.4	90.0	92.8	90.3
Central Government	10.0	11.1	10.9	10.5	10.9
Private 1/ 2/	77.4	83.3	79.1	82.3	79.5
Gross investment	18.6	19.9	17.9	20.4	23.4
Central Government	5.6	6.3	5.1	4.5	5.7
Private sector 1/ 3/	13.0	13.7	12.8	15.9	17.7
Of which: SNIM	3.4	2.7	5.7	8.3	8.4
Exports of goods and nonfactor services	50.8	46.4	44.4	38.8	45.7
Memorandum items:					
Domestic savings	12.6	5.6	10.0	7.2	9.7
Resource gap	5.9	14.3	7.9	13.2	13.7
Factor income (net) 4/	-8.6	-7.2	-6.8	-3.3	-7.3
Gross national savings	4.1	-1.6	3.2	3.9	2.3

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates and projections.

- 1/ Including public enterprises.  
 2/ Determined as a residual.  
 3/ Including change in stocks.  
 4/ Including private transfers.

Table 5. Mauritania: Area Cultivated and Production of Selected Crops, 1989/90-1993/94 <sup>1/</sup>

	1989/90	1990/91 <sup>2/</sup>	1991/92	1992/93	Prov. 1993/94
	<u>(In thousands of hectares)</u>				
Area cultivated					
Total cereals	192.2	121.5	159.0	112.5	146.1
Millet and sorghum	174.5	102.6	140.3	95.7	128.8
Paddy rice	13.4	14.4	14.8	12.7	17.3
Maize, wheat, and barley	4.3	4.5	3.9	4.1	--
Cowpeas, vegetables, and other	75.4	27.9	60.6	26.2	60.0
Dates	5.0	13.0	13.0	12.0	15.0
	<u>(In thousands of metric tons)</u>				
Production					
Total cereals	183.6	104.4	104.1	105.5	160.4
Millet and sorghum	124.6	49.3	60.3	51.7	96.8
Paddy rice	55.9	52.4	41.6	50.7	63.6
Maize, wheat, and barley	3.1	2.7	2.2	3.1	--
Cowpeas, vegetables, and other	33.8	8.3	19.9	15.2	25.0
Dates	16.7	13.0	13.0	12.0	15.0

Sources: Ministry of Rural Development and the Environment (MDRE); and Fund staff estimates.

<sup>1/</sup> Crop year usually ends June 30; the main harvest takes place at the end of the first cropping season, before December 31 of each calendar year.

<sup>2/</sup> Excluding new spring cereal culture.

Table 6. Mauritania: Supply of Cereals, 1989-93

(In thousands of metric tons)

	1989	1990	1991	1992	<u>Prov.</u> 1993
Production <sup>1/</sup>	142	83	78	73	115
Imports	95	208	201	213	200
Rice (SONIMEX)	55	47	20	59	59
Flour (private sector)	40	68	75	79	79
Other (private sector)	--	93	106	75	62
Food aid	65	84	45	37	48
Total supply	302	375	324	323	363
Per capita supply (in kilograms)	147	178	149	133	163

Source: Commission for Food Security (CSA); and Fund staff estimates.

<sup>1/</sup> Consumable cereal production equals gross production less estimated losses on paddy (40 percent) and other cereals (15 percent).

Table 7. Mauritania: Distribution and Marketing of Foodstuffs by the CSA, 1989-93

(In thousands of metric tons)

	1989	1990	1991	1992	1993
<b>Food aid</b>					
Food distribution	18.0	10.0	21.0	25.5	30.5
Cereal sales	34.1	38.4	6.2	46.0	14.5
<b>Sales of domestic cereals</b>					
Paddy rice	14.6	11.0	2.8	5.9	1.7
Other cereals	1.4	0.9	...	...	...

Source: Commission for Food Security (CSA).

Table 8. Mauritania: Official Producer Prices in the Agricultural Sector, 1989/90-1993/94

(In ouguiyas per kilogram)

	1989/90	1990/91	1991/92	1992/93	<u>Prov.</u> 1993/94
<b>Producer prices</b>					
Paddy <u>1/</u>	19.0	21.0	21.0	24.0	25.0
Millet	22.0	21.0	22.0	24.0	21.2
Sorghum	22.0	22.0	22.0	24.0	21.2
Maize	22.0	22.0	22.0	24.0	21.2
Purchase price of local milled rice (ex-factory)	35.0	35.0	38.0	...	...
Import cost (c.i.f.) of milled rice (broken) <u>2/</u>	20.7	22.0	18.0	...	...
Wholesale price of rice sold by SONIMEX (milled rice - broken) <u>3/</u>	36.0	41.0	41.0	...	...

Source: Data provided by the Mauritanian authorities.

1/ The conversion rate of paddy to milled rice is 60 percent.

2/ Import cost at Nouakchott.

3/ Wholesale price at Nouakchott.

Table 9. Mauritania: SONIMEX -- Sales Statistics, 1989-93

	Units	1989	1990	1991	1992	1993
<b>Broken rice</b>						
1. Imports	1,000 mt	53.80	38.01	39.72	20.23	14.70
2. Purchase price, f.o.b.	UM/kg	19.39	15.02	14.12	18.06	25.72
3. Purchase price, c.i.f.	UM/kg	20.17	17.78	16.90	18.24	25.97
4. Cost 1/	UM/kg	33.07	32.99	40.67	41.20	45.98
5. Sale price	UM/kg	30.53	36.00	41.00	43.14	50.96
6. Gross unit margin (5-4)	UM/kg	-2.54	3.01	0.33	1.91	4.98
7. Sales	1,000 mt	71.10	68.69	35.74	27.34	6.54
8. Gross margin	million UM	-180.59	206.76	11.79	52.22	32.54
<b>Rice</b>						
1. Imports	1,000 mt	0.99	0.51	1.02	1.58	0.50
2. Purchase price, f.o.b.	UM/kg	24.32	28.57	27.74	26.94	38.26
3. Purchase price, c.i.f.	UM/kg	25.26	31.67	36.46	27.21	38.64
4. Cost 1/	UM/kg	41.13	53.55	53.14	51.80	60.33
5. Sale price	UM/kg	44.00	54.00	65.00	65.99	70.16
6. Gross unit margin (5-4)	UM/kg	2.87	0.45	11.86	14.18	9.83
7. Sales	1,000 mt	0.27	0.26	0.79	1.56	0.69
8. Gross margin	million UM	0.77	0.12	9.37	22.12	6.78
<b>Granulated sugar</b>						
1. Imports	1,000 mt	47.70	31.18	46.70	59.99	39.00
2. Purchase price, f.o.b.	UM/kg	31.72	35.30	23.97	29.73	38.93
3. Purchase price, c.i.f.	UM/kg	34.55	38.71	31.31	30.02	39.32
4. Cost 1/	UM/kg	53.77	64.71	55.76	56.80	63.22
5. Sale price	UM/kg	43.76	62.28	60.00	62.65	71.28
6. Gross unit margin (5-4)	UM/kg	10.01	-2.43	4.24	5.85	8.06
7. Sales	1,000 mt	25.77	28.18	38.75	40.59	63.29
8. Gross margin	million UM	-252.96	-68.48	164.30	237.45	510.18
<b>Imported lump sugar</b>						
1. Imports	1,000 mt	11.06	17.65	12.97	16.42	4.58
2. Purchase price, f.o.b.	UM/kg	41.54	51.12	45.21	51.34	58.25
3. Purchase price, c.i.f.	UM/kg	44.16	54.79	49.02	51.85	58.83
4. Cost 1/	UM/kg	62.91	79.67	72.51	77.00	85.78
5. Sale price	UM/kg	70.47	75.00	77.35	85.09	89.98
6. Gross unit margin (5-4)	UM/kg	7.56	-4.67	4.84	7.60	4.20
7. Sales	1,000 mt	9.84	15.42	14.34	14.89	4.85
8. Gross margin	million UM	74.39	-72.01	69.41	114.90	20.41
<b>Tea</b>						
1. Imports	1,000 mt	2.95	3.39	1.74	2.27	0.65
2. Purchase price, f.o.b.	UM/kg	408.19	449.25	457.01	480.99	375.24
3. Purchase price, c.i.f.	UM/kg	413.80	453.69	501.33	485.80	379.11
4. Cost 1/	UM/kg	683.98	803.13	816.62	879.00	715.88
5. Sale price	UM/kg	723.13	833.30	827.95	850.13	895.76
6. Gross unit margin (5-4)	UM/kg	39.15	30.17	11.33	-29.00	179.88
7. Sales	1,000 mt	3.37	2.89	2.86	2.69	0.76
8. Gross margin	million UM	131.94	87.19	32.40	-78.00	136.71

Source: National Import and Export Company (SONIMEX).

1/ Including import duties, consumption taxes, and incidental expenses.

Table 10. Mauritania: CSA – Operating Revenues  
and Expenditures, 1989–93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Total revenue	1,103.5	847.0	180.4	944.2	714.6
Sales	1,103.5	847.0	180.4	660.2	283.1
Sales in CSA centers	746.0	825.1	56.8	457.1	...
Imported rice	--	9.5	112.5	176.4	...
Local rice	323.7	--	24.1	26.7	...
Other local cereals	33.8	12.4	107.0	--	...
Operating subsidy	--	--	--	50.0	212.0
Other revenues	--	--	--	234.0	219.5
Expenses	2,050.3	1,454.6	696.3	615.6	391.6
Purchases	1,474.8	1,126.4	478.7	109.4	114.2
Imported wheat	883.1	810.9	119.3	70.2	...
Imported rice	118.7	13.8	261.8	--	...
Other imported products	--	--	--	--	...
Domestic rice	336.5	203.4	47.3	--	...
Other local cereals	32.9	20.3	--	--	...
Freight and transit	103.6	78.0	50.3	39.2	...
Personnel	203.6	154.3	52.0	187.2	150.7
Transport	147.4	102.6	64.5	93.0	...
Amortization	95.1	--	56.8	56.2	50.9
Other	129.4	71.3	44.3	169.8	75.8
Operating profit/loss	-946.8	-607.6	-515.9	328.6	323.0

Source: Commission for Food Security (CSA).

Table 11. Mauritania: Estimated Size of Livestock Herds,  
Controlled Slaughtering, and Average Prices, 1989-93

	1989	1990	1991	1992	1993
<u>(In thousands of head)</u>					
<b>Livestock herds</b>					
Cattle	1,300	1,350	1,350	1,200	1,100
Sheep and goats	8,100	8,500	8,300	8,200	8,900
Camels	910	950	950	1,050	1,080
<b>Controlled slaughtering</b>					
Cattle	33	33	32	33	...
Sheep and goats	90	98	98	102	...
Camels	17	20	18	19	...
<u>(In ouguiyas per head)</u>					
Cattle	28,400	25,660	21,333	25,600	25,000
Sheep	4,600	4,700	4,033	4,800	5,000
Goats	3,500	3,590	3,050	3,800	3,500
Camels	38,000	42,550	36,400	35,000	35,000

Source: Ministry of Rural Development and the Environment (MDRE).

Table 12. Mauritania: Estimated Fish Catch, 1989-93

(In thousands of metric tons)

	1989	1990	1991	1992	1993
Artisanal fishing	14,183	10,427	12,098	15,441	17,173
Traditional	7,487	6,187	6,441	7,013	7,100
Modern	6,696	4,240	5,657	8,428	10,073
Industrial fishing	489,239	436,405	473,284	440,349	462,651
Demersal (deep-sea) fish	50,191	43,036	42,973	49,804	49,869
Pelagic (surface) fish	411,340	365,766	396,834	367,871	379,824
Other	27,708	27,603	33,477	22,674	32,958
Total	503,422	446,832	485,382	455,790	479,824
Of which:					
Estimated undeclared catch	19,400	16,100	18,500	9,900	14,800

Source: Ministry of Fishing.

Table 13. Mauritania: Composition of Fish Exports, 1989-93

	1989	1990	1991	1992	1993
<u>(In thousands of metric tons)</u>					
Volume					
Pelagic	241.2	212.4	205.2	209.2	214.2
Deep-sea	12.3	8.1	7.7	8.1	6.3
Cephalopod	40.3	28.6	37.3	47.0	54.8
Fish meal	24.8	23.7	22.9	23.6	29.7
Other	3.8	10.2	4.5	2.7	3.5
Total	322.4	283.0	277.6	290.6	308.5
<u>(In millions of ouguiyas)</u>					
Value					
Pelagic	6,166.2	5,455.2	5,543.4	5,877.8	8,024.0
Deep-sea	1,325.4	953.4	970.3	918.5	1,762.0
Cephalopod	12,579.0	8,671.3	11,248.1	11,331.6	16,224.2
Fish meal	818.5	764.8	738.9	800.9	1,201.6
Other	79.6	1,252.1	425.7	185.4	400.7
Total	20,968.7	17,096.8	18,926.4	19,114.2	27,612.5

Sources: Ministry of Fishing.

Table 14. Mauritania: Fishing Vessels by Nationality and Category, 1989-93

	1989	1990	1991	1992	1993
Deep-sea fishing	158	164	133	175	202
Mauritanian	156	155	119	145	142
Foreign	2	9	14	30	60
Pelagic fishing	45	53	44	65	36
Mauritanian	3	4	--	2	3
Foreign	42	49	44	63	33
Other fishing	133	123	101	98	159
Mauritanian	1	4	--	4	4
Foreign	132	119	101	94	155
Total	336	340	278	338	397
Mauritanian	160	163	119	151	149
Foreign	176	177	159	187	248

Sources: Ministry of Fishing.

Table 15. Mauritania: Iron Ore – Production, Exports, and Stocks, 1989–94

(In thousands of metric tons)

	1989	1990	1991	1992	1993	<u>Jan.–Aug.</u> 1994
Production	12,114	11,520	10,264	8,262	9,196	7,495
Exports <sup>1/</sup>	11,138	11,360	10,469	8,010	9,737	6,823
Change in stocks	976	160	-205	252	-541	672
Stocks (end of period)	1,241	1,401	1,196	1,448	907	1,579

Source: National Industrial and Mining Company (SNIM).

<sup>1/</sup> For 1990–92 includes internal use.

Table 16. Mauritania: SMCPP – Operating Revenues and Expenditures, 1989–93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Total revenues	4,530	4,199	5,360	4,766	4,998
Sales	4,440	4,172	5,251	4,701	4,974
Other revenues	90	27	109	65	24
Expenses	4,586	3,890	4,987	4,642	4,848
Cost of petroleum <sup>1/</sup>	2,623	2,224	2,923	2,065	2,433
Personnel	108	102	98	103	114
Financial expenses	48	10	71	119	92
Amortization and equipment	89	135	47	98	113
Other	1,718	1,419	1,848	2,257	2,096
Operating income before tax	–56	309	373	124	150
Taxes	181	191	320	199	228
Net operating income after taxes	–237	118	53	–75	–78

Source: Mauritanian Company for Commercialization of Petroleum Products (SMCPP).

<sup>1/</sup> Includes net reductions in stocks.

Table 17. Mauritania: Consumption of Petroleum Products, 1989-93

(In thousands of metric tons)

	1989	1990	1991	1992	1993
Ordinary gasoline	28.2	31.6	28.5	33.2	36.5
Super gasoline	4.1	2.9	1.7	1.3	0.9
Fuel oil	38.6	54.9	52.8	53.0	56.5
Kerosene	16.5	16.1	11.5	10.5	11.2
Lighting oil	2.5	2.4	2.4	3.9	2.3
Gas oil	186.5	165.8	152.2	147.0	164.2
Fishing fleet	91.3	76.5	66.8	59.7	63.0
Transportation	23.5	27.3	25.4	29.1	21.7
SONELEC	11.8	3.4	4.7	6.7	6.5
SNIM	55.2	51.0	45.7	40.7	46.2
Other	4.7	7.7	6.8	7.7	7.3
Butane	7.7	9.0	9.7	10.9	12.5

Sources: Directorate of Energy, Ministry of Water and Energy.

Table 18. Mauritania: Net Production of Electricity and Water, 1989-93

	1989	1990	1991	1992	1993
<u>(In thousands of kilowatt hours)</u>					
Electricity <sup>1/</sup>	105,115	111,164	130,300	139,887	148,059
Nouakchott	68,073	71,279	69,228	76,606	83,899
Nouadhibou	29,823	33,439	53,177	54,443	57,256
Other	7,219	6,446	7,895	8,838	6,904
<u>(In megawatts)</u>					
Guaranteed capacity installed	39	52	52	53	53
<u>(In thousands of cubic meters)</u>					
Water	11,699	12,220	12,627	14,414	14,856
Nouakchott	8,474	8,842	9,292	10,870	11,431
Nouadhibou	2,021	2,215	2,143	2,242	2,214
Other	1,204	1,163	1,192	1,302	1,211

Source: National Water and Electricity Company (SONELEC).

<sup>1/</sup> Excluding electricity produced by autonomous producers, mainly SNIM.

Table 19. Mauritania: SONELEC – Operating Accounts, 1989–93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Operating receipts	1,921	3,030	3,139	3,345	4,099
Electricity sales	1,306	1,707	1,717	2,005	2,432
Water sales	615	770	785	1,095	1,411
Other	--	553	637	246	256
Operating expenses	2,561	3,272	3,083	3,298	3,546
Goods and services inputs	876	1,111	1,320	1,499	1,510
Personnel	267	306	375	416	501
Financial expenses	319	556	300	293	291
Amortization	676	981	996	826	931
Taxes	3	4	8	6	7
Other	420	314	84	257	307
Operating profits (+)/ losses (-)	-640	-242	56	47	553

Source: National Water and Electricity Company (SONELEC).

Table 20. Mauritania: Public Utility Rates, 1989-94

	1989	1990	1991	1992	1993	1994
<u>(Ouguiyas per kilowatt hour)</u>						
Electricity						
Medium voltage (industry)						
One hook-up	10.9	10.9	10.9	13.9	16.4	16.4
Two hook-ups	6.4	6.4	6.4	8.5	10.1	10.1
Low voltage						
Domestic	15.2	15.2	15.2	19.4	23.0	23.0
Public lighting	17.4	17.4	17.4	22.1	26.2	26.2
Other	16.7	16.7	16.7	21.3	25.2	25.2
<u>(Ouguiyas per cubic meter)</u>						
Water						
Private						
Tranche 1	48.0	48.0	48.0	61.5	72.7	72.7
Tranche 2	95.0	95.0	95.0	121.8	144.0	144.0
Tranche 3	120.0	120.0	120.0	153.1	181.1	181.1
Industry and Government	100.0	100.0	100.0	127.6	150.9	150.9
Public fountains	38.0	38.0	38.0	61.5	72.7	72.7

Source: Data provided by National Water and Electricity Company (SONELEC).

Table 21. Mauritania: SNIM – Operating Accounts, 1989–93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Total revenue	18,072	19,593	19,857	19,068	23,039
Sales (in millions of metric tons)	11.1	11.4	10.5	8.0	9.7
Total expenses	17,763	17,850	17,630	18,972	22,017
Cost of goods sold	6,823	7,777	7,598	6,744	9,890
Personnel expenses	3,021	3,187	3,087	3,078	3,172
Financial expenses	3,793	3,682	3,497	4,585	4,514
Depreciation and other provisioning	3,780	3,084	3,229	4,429	4,263
Taxes	62	67	64	70	77
Other expenses	284	53	155	66	102
Operating profits (+)/ losses (-)	309	1,743	2,227	96	1,022

Source: National Industrial and Mining Company (SNIM).

Table 22. Mauritania: SNIM – Balance Sheet, 1989–93

(In millions of ouguiyas; end of period)

	1989	1990	1991	1992	1993
<b>Assets</b>	49,280	51,065	52,715	68,593	74,369
Cash in banks	384	1,019	2,595	1,597	4,889
Receivables	2,770	4,183	4,002	6,843	4,873
Inventories	5,089	7,212	6,667	8,099	6,746
Fixed assets	17,566	17,602	19,914	26,172	30,247
Fixed capital formation expenses	15,349	12,540	11,769	10,741	11,398
Uncalled capital	--	1,800	1,800	--	--
Other	8,705	6,709	5,968	15,141	16,216
<b>Liabilities</b>	49,280	51,065	52,715	68,593	74,369
Current liabilities, of which:	7,247	6,844	5,615	7,843	5,814
Government	648	341	16	112	58
Banks	1,016	152	26	--	--
Long-term debt	27,052	23,342	22,841	33,313	38,810
Equity	14,606	19,100	19,457	21,682	21,778
Losses (-) or profits <sup>1/</sup>	309	1,743	2,227	96	422
Other	66	36	2,575	5,659	7,545

Source: National Industrial and Mining Company (SNIM).

<sup>1/</sup> The figure for 1993 is equivalent to the operating profit reported in Table 21 (UM 1,022) less the special transfer to the Government (UM 600 million).

Table 23. Mauritania: SNIM – Energy Consumption, 1989–93

	1989	1990	1991	1992	1993
	(In thousands of metric tons)				
Petroleum products	86,016	83,287	74,496	69,220	77,900
Ordinary gasoline	2,026	2,008	2,012	2,120	2,280
Gas oil	55,208	52,770	45,700	40,670	46,160
Heavy fuel	28,778	28,500	26,784	26,430	29,460
Butane	4	9	--	--	--
	(In thousands of kilowatt hours)				
Electricity <sup>1/</sup>	157,962	129,334	114,095	136,734	164,593

Source: National Industrial and Mining Company (SNIM).

<sup>1/</sup> Autogenerated.

Table 24. Mauritania: Unit Prices of Petroleum Products, 1989-94 <sup>1/</sup>

(Value in ouguiyas per liter at end of period, unless otherwise specified)

	1989	1990	1991	1992	1993	1994 <sup>2/</sup>
Ordinary gasoline	59.1	75.9	75.9	81.4	87.8	87.8
Super gasoline	61.1	77.4	77.4	83.4	97.0	97.0
Lighting oil	26.0	32.2	19.2	19.2	50.3	50.3
Gas oil						
Transportation	33.9	48.5	48.5	48.5	48.5	48.5
Fishing fleet	21.6	26.2	19.3	23.8	25.5	23.8
Butane (bottle of 12.5 kg)	650	650	650	740	740	740

Source: Data provided by the Mauritanian authorities.

<sup>1/</sup> Unit prices "ex dépôt Nouakchott," except for gas oil for fishing fleet which is the unit price "dock Nouadhibou."<sup>2/</sup> As of September 30.

Table 25. Mauritania: Consumer Price Index for Nouakchott, 1989–November 1994

(July 1985 = 100)

Weights (in percent)	Food (52.0)	Clothing (14.6)	Lodging (25.3)	Other (8.1)	Overall Index (100.0)	Percentage Change
<u>(Annual average)</u>						
1989	147.4	112.3	125.3	103.7	133.2	13.0
1990	152.9	115.4	142.7	114.1	141.8	6.4
1991	156.9	119.1	158.7	129.8	149.7	5.6
1992	168.8	153.1	173.0	134.8	164.8	10.1
1993	185.0	160.2	193.6	143.9	180.2	9.3
<u>(Monthly average)</u>						
1992						
January	157.4	125.3	156.3	131.7	150.4	-1.7
February	155.5	129.6	158.1	133.4	150.6	0.1
March	158.1	145.3	165.3	134.9	156.2	3.7
April	156.8	151.1	169.4	136.3	157.5	0.8
May	162.1	154.2	189.1	130.8	165.2	4.9
June	162.3	158.6	165.2	132.9	160.1	-3.1
July	169.4	154.4	161.5	130.9	162.1	1.2
August	174.9	154.8	161.8	131.2	165.1	1.8
September	174.1	153.7	165.9	134.0	165.8	0.4
October	186.6	178.7	192.2	139.4	183.0	10.4
November	186.7	165.6	195.3	141.8	182.1	-0.5
December	182.3	166.1	195.3	140.4	179.8	-1.3
1993						
January	180.7	165.6	197.7	139.9	179.5	-0.2
February	176.9	164.2	194.8	138.3	176.4	-1.7
March	173.2	165.2	194.7	141.1	174.9	-0.9
April	176.6	167.1	195.9	143.0	177.4	1.4
May	177.9	160.3	188.2	144.5	175.2	-1.2
June	182.9	158.1	191.6	143.8	178.3	1.8
July	190.6	155.9	193.4	146.0	182.6	2.4
August	196.6	156.5	193.0	145.4	185.7	1.7
September	193.8	160.1	194.4	145.3	185.1	-0.3
October	189.9	157.6	193.2	147.2	182.6	-1.4
November	190.5	158.9	192.5	145.8	182.8	0.1
December	190.8	152.5	194.0	147.0	182.5	-0.2
1994						
January	190.5	157.1	197.7	146.4	183.9	0.8
February	185.2	156.1	196.7	143.8	180.5	-1.8
March	182.3	158.0	196.3	146.7	179.4	-0.6
April	184.0	172.5	205.3	146.2	184.7	2.9
May	186.6	173.1	198.9	146.6	184.5	-0.1
June	189.8	176.2	213.7	143.2	190.1	3.0
July	193.4	175.2	208.9	146.8	190.9	0.4
August	197.0	179.3	204.0	143.2	191.8	0.5
September	195.3	171.5	206.1	145.2	190.5	-0.7
October	198.7	179.4	209.1	144.6	194.1	1.9
November	201.4	169.2	208.3	144.2	193.8	-0.2

Source: Data provided by the Directorate of Statistics.

Table 26. Mauritania: Evolution of Minimum Wages  
and Salaries, 1989-93

(In ouguiyas)

	1989	1990	1991	1992	1993
<b>Private sector</b> (hourly wages)					
SMIG <u>1/</u>	24.46	24.46	24.46	33.46	42.83
SMAG <u>2/</u>	24.46	24.46	24.46	33.46	42.83
<b>Public sector</b> (civil servants' monthly salary)					
Category A	14,217	14,217	14,217	15,717	17,217
Category B	10,244	10,244	10,244	11,744	13,244
Category C	7,899	7,899	7,899	9,399	10,899
Category D	4,802	4,802	4,802	6,302	7,802
Category E (teachers)	14,201	14,201	14,201	15,701	17,201

Sources: Ministry of Finance; and data provided by the Mauritanian authorities.

1/ Guaranteed minimum industrial wage.

2/ Guaranteed minimum agricultural wage.

Table 27. Mauritania: Civil Service Size and Recruitment, 1989-93 <sup>1/</sup>

Ministry and Department	Civil Service at end-1989	Recruitment 1990	Departures 1990	Civil Service at end-1990	Civil Service at end-1991 <sup>2/</sup>	Recruitment 1992	Departures 1992	Civil Service at end-1992 <sup>2/ 3/</sup>	Recruitment 1993 <sup>4/</sup>	Departures 1993	Civil Service at end-1993
Presidency	196	3	11	188	253	--	6	247	2	9	240
National Committee	129	--	2	127	50	--	--	--			--
General Secretariat of the Government	76	--	2	74	120	--	3	117	1	3	115
Ministry of Interior, Post, and Telecommunications	5,147	1	212	4,936	2,709	--	90	2,619	38	25	2,632
Ministry of Justice	722	--	23	699	983	--	27	956	2	13	945
Ministry of Planning	138	7	2	143	144	5	--	149	5	2	152
Ministry of Finance	1,651	11	27	1,635	1,441	8	82	1,367	25	53	1,337
Ministry of Commerce, Artisanal Works, and Tourism	230	3	2	231	209	--	2	207	-47	1	159
Ministry of Fishing and Sea Economy	113	4	--	117	123	--	1	122	4	2	124
Ministry of Equipment and Transport	219	--	15	204	205	--	8	197	1	17	181
Ministry of Rural Development and Environment	760	9	59	710	843	--	30	813	12	37	788
Ministry of Water and Energy	59	--	--	59	73	--	1	72	2		74
Ministry of Culture and Islamic Affairs	89	3	3	89	117	--	6	111		3	108
Ministry of Education	7,356	444	121	7,679	8,157	610	238	8,529	498	164	8,863
Ministry of Health and Social Affairs	2,860	69	100	2,829	2,798	149	86	2,861	323	85	3,099
Ministry of Foreign Affairs and Cooperation	102	1	2	101	119	--	9	110	2	5	107
Ministry of Information	59	1	4	56	87	--	2	85	1	2	84
Ministry of Mines and Industry	59	4	2	61	75	--	3	72		2	70
Ministry of Civil Service, Labor, Youth, and Sports	454	16	18	452	432	12	12	432	12	14	430
State Audit	45	1	--	46	80	--	1	79	2	2	79
Secretariat for Women's Affairs	44	30	--	74	71	6	--	127		2	125
Secretariat for Maghreb Affairs	4	1	--	5	17	--	--	17			17
Secretariat for Literacy	147	--	3	144	197	--	7	190	--	1	189
Total	20,659	608	608	20,659	19,303	790	614	19,479	881	442	19,918

Source: Data provided by the Mauritanian authorities.

<sup>1/</sup> Number of civil servants at the end of each period are adjusted for changes in the number and responsibilities of each ministry.

<sup>2/</sup> Data for 1991 and 1992 represent the results of the latest Civil Service Census.

<sup>3/</sup> Following the dismantling of the National Committee in 1992, its employees were transferred to the Secretariat for Women's Affairs.

<sup>4/</sup> Including the redeployment of personnel from the Ministry of Commerce to the Ministries of Finance and Interior.

Table 28. Mauritania: Public Investment and its Financing, 1989-93

(In millions of ouguiyas)

	1989	1990	1991	1992	Prov. 1993
Total investment <sup>1/</sup>	8,796	8,487	10,261	14,041	14,317
Rural development	2,866	1,840	2,307	2,920	3,687
Industry <sup>2/</sup>	526	919	655	1,395	1,915
SNIM	2,722	2,517	3,721	6,436	5,176
Infrastructure	1,569	2,132	2,524	1,598	1,870
Other	1,113	1,079	1,054	1,692	1,669
Total investment <sup>1/</sup>	8,796	8,487	10,261	14,041	14,317
Government <sup>3/</sup>	5,443	4,815	4,614	5,937	7,670
Parastatals	631	1,155	1,926	1,668	1,471
SNIM	2,722	2,517	3,721	6,436	5,176
Financing	8,796	8,487	10,261	14,041	14,317
Government <sup>3/</sup>	5,443	4,815	4,614	5,937	7,670
Domestic resources	1,082	1,109	1,288	1,294	2,296
Grants	1,865	1,797	1,106	1,304	3,019
Loans	2,496	1,909	2,220	3,339	2,356
Parastatals	631	1,155	1,926	1,668	1,471
Domestic resources	106	95	348	569	644
Grants	357	539	686	394	41
Loans	168	521	892	705	785
SNIM	2,722	2,517	3,721	6,436	5,176
Savings	106	102	175	191	1,792
Grants	0	0	0	1,306	1,413
Loans	2,616	2,415	3,546	4,939	1,971
Memorandum items:					
External financing	7,502	7,181	8,450	11,987	9,585
Grants	2,222	2,336	1,792	3,004	4,473
Loans	5,280	4,845	6,658	8,983	5,113

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Excluding investments under the responsibility of the Senegal Valley Authority (OMVS).<sup>2/</sup> Excluding SNIM.<sup>3/</sup> These amounts are not fully comparable to those shown in Table 4 owing to coverage (for early years) and timing differences.

Table 29. Mauritania: Treasury Operations, 1989-94 1/

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994
(In millions of ouguiyas)							
Revenue	18,854	20,231	20,562	20,145	20,740	29,321	22,938
Budgetary revenue	17,844	19,159	19,721	21,076	19,345	27,727	22,611
Special accounts	1,010	1,072	902	912	410	609	327
Adjustment for uncashed checks	--	--	-61	-1,843	985	985	--
Expenditure and net lending	23,986	22,523	23,048	22,395	24,310	37,747	23,507
Budgetary expenditure, of which:	16,910	17,981	19,257	20,794	17,250	25,253	18,784
Interest due	2,650	2,132	2,404	3,144	2,560	4,671	2,719
Wages and salaries	4,919	5,165	5,422	5,964	4,850	6,436	5,138
Goods and services	3,273	3,970	4,645	4,869	3,880	6,020	4,583
Investment	1,046	1,216	1,424	1,546	1,720	2,375	1,963
Special accounts	847	879	648	813	270	432	229
Net lending	6,229	3,663	1,253	1,546	6,360	10,780	3,276
Of which: restructuring	6,180	3,483	1,176	1,441	6,210	10,570	3,106
Adjustment for unclassified expenditure	--	--	1,890	-758	430	1,282	1,218
Surplus or deficit (-)	-5,132	-2,292	-2,486	-2,250	-3,560	-8,426	-569
Financing	5,132	2,292	2,486	2,250	3,560	8,246	569
External	-3,644	-1,503	-3,263	-2,577	1,690	-140	1,506
Grants	375	146	433	2,003	2,040	2,585	904
Loans (net)	-4,019	-1,649	-3,696	-4,580	-350	-2,725	602
Drawings 2/	1,540	2,452	1,430	1,401	5,430	5,520	4,190
Amortization due	-5,559	-4,101	-5,126	-5,981	-5,780	-8,245	-3,588
Domestic (net)	3,751	683	374	-1,185	-730	2,960	-2,180
Banking system	3,352	530	29	-1,185	-730	2,200	-2,480
Other	399	153	347	--	--	760	300
Exceptional financing	5,025	3,112	5,375	6,012	2,600	5,607	1,242
Change in external arrears	-1,756	2,150	5,292	6,375	-20,510	-19,949	-4,635
Principal	-1,554	1,848	4,227	5,075	-16,200	-15,741	-3,623
Interest	-202	302	1,065	1,300	-4,310	-4,208	-1,012
Change in domestic arrears	420	869	83	-363	--	280	--
External debt relief and other exceptional assistance	6,361	93	--	--	23,150	25,276	5,877
Rescheduling	3,460	93	--	--	23,150	25,276	5,877
Interest	544	19	--	--	1,150	2,064	18
Principal	1,665	74	--	--	2,720	3,941	36
Arrears	1,251	--	--	--	19,280	19,306	5,824
Exceptional assistance	2,901	--	--	--	--	--	--
Memorandum items:							
Surplus or deficit (-), excluding restructuring operations	1,048	1,191	-1,310	-809	2,650	2,144	2,537
Surplus or deficit (-), classifying grants as revenue:							
Including restructuring operations	-4,757	-2,146	-2,053	-247	-1,520	-5,841	335
Excluding restructuring operations	1,423	1,337	-877	1,194	4,690	4,729	3,441
(In percent of GDP)							
Revenue	23.1	24.6	22.2	19.4	18.1	25.6	18.1
Expenditure and net lending	21.9	23.3	21.3	20.3	21.2	33.0	18.5
Surplus or deficit (-)	-6.3	-2.8	-2.7	-2.2	-3.1	-7.4	-0.4
Surplus or deficit (-), excluding restructuring operations	1.3	1.4	-1.4	-0.8	2.3	1.9	2.0
Surplus or deficit (-), classifying grants as revenue:							
Including restructuring operations	-5.8	-2.6	-2.2	-0.2	-1.3	-5.1	0.3
Excluding restructuring operations	1.8	1.6	-0.9	1.2	4.1	4.1	2.7

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

1/ Excluding foreign-financed government operations.

2/ Drawings on budgetary loans and World Bank structural adjustment loan (including cofinancing).

Table 30. Mauritania: Consolidated Government Financial Operations, 1989-94 1/

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994
(In billions of ouguiyas)							
Total revenue	18.85	20.23	20.56	20.15	20.74	29.32	22.94
Budgetary revenue	17.84	19.16	19.72	21.08	19.35	27.73	22.61
Special accounts	1.01	1.07	0.90	0.91	0.41	0.61	0.33
Adjustment for uncashed checks	--	--	-0.06	-1.84	0.98	0.98	--
Expenditure and net lending 2/	27.49	26.24	26.78	25.73	27.39	41.90	26.74
Current expenditure	16.71	17.47	20.78	19.49	16.25	24.53	18.27
Wages and salaries	4.92	5.17	5.42	5.96	4.85	6.44	5.14
Goods and services	3.27	3.97	4.65	4.87	3.88	6.02	4.58
Transfers and subsidies	1.79	2.26	2.13	1.84	1.58	2.11	1.58
Military expenditure	3.23	3.24	3.23	3.43	2.68	3.64	2.80
Interest on public debt	2.65	2.13	2.40	3.14	2.56	4.67	2.72
Other	0.85	0.71	2.95	0.24	0.70	1.71	1.45
Of which: unclassified expenditure	--	0.21	2.30	-0.57	0.43	1.28	1.22
Capital expenditure and net lending	10.78	8.77	6.00	6.24	11.15	17.31	8.47
Fixed capital formation	4.55	5.11	4.75	4.70	4.79	6.53	5.20
Budgetary	1.05	1.22	1.42	1.55	1.72	2.38	1.96
Extrabudgetary	3.50	3.89	3.33	3.15	3.08	4.15	3.23
Restructuring and net lending	6.23	3.66	1.25	1.55	6.36	10.78	3.28
Restructuring public enterprises	1.99	2.44	0.53	1.44	2.65	2.80	3.05
Restructuring commercial banks	4.19	1.05	0.65	--	3.56	7.77	0.06
Other restructuring operations					0.15	0.18	0.02
Other including net lending	0.05	0.18	0.07	0.10	--	0.03	0.15
Overall surplus/deficit (-)	-8.63	-6.01	-6.22	-5.59	-6.65	-12.58	-3.80
Financing	8.63	6.01	6.22	5.59	6.65	12.58	3.80
Foreign (net)	-0.14	2.42	0.06	0.57	4.78	4.00	4.74
Grants	2.11	1.75	1.54	2.73	2.48	3.72	1.75
Budgetary	0.38	0.15	0.43	2.00	2.04	2.58	0.90
Extra-budgetary	1.73	1.60	1.11	0.73	0.45	1.14	0.84
Loans (net)	-2.25	0.67	-1.48	-2.16	2.29	0.29	2.99
Drawings	3.31	4.77	3.65	3.82	8.07	8.53	6.58
Budgetary 3/	1.54	2.45	1.43	1.40	5.43	5.52	4.19
Projects	1.77	2.32	2.22	2.42	2.64	3.01	2.39
Amortization due	-5.56	-4.10	-5.13	-5.98	-5.78	-8.24	-3.59
Domestic (net)	3.75	0.47	0.79	-0.99	-0.73	2.96	-2.18
Banking system	3.35	0.32	0.44	-0.61	-0.73	2.20	-2.48
Treasury bonds	4.19	1.05	0.65	--	2.75	4.87	--
Treasury advances	-1.14	-0.33	0.72	1.07	0.04	0.13	-0.64
Other bank financing	0.30	-0.40	-0.93	-1.68	-3.52	-2.80	-3.12
Other	0.40	0.15	0.35	-0.38	--	0.76	0.30

Table 30 (concluded). Mauritania: Consolidated Government Financial Operations, 1989-94 <sup>1/</sup>

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994
(In billions of ouguiyas)							
Exceptional financing	5.03	3.11	5.38	6.02	2.60	5.61	1.24
Change in external arrears	-1.75	2.15	5.30	6.38	-20.51	-19.95	-4.64
Principal	-1.55	1.85	4.23	5.08	-16.20	-15.74	-3.62
Interest	-0.20	0.30	1.07	1.30	-4.31	-4.21	-1.01
Change in domestic arrears	0.42	0.87	0.08	-0.36	--	0.28	--
External debt relief and other							
exceptional assistance	6.36	0.09	--	--	23.15	25.28	5.88
Of which: rescheduling	3.46	0.09	--	--	23.15	25.28	5.88
(In percent of GDP)							
Memorandum items:							
Revenue	23.1	24.6	22.2	19.4	18.1	25.6	18.1
Total expenditure and net lending	33.7	31.9	28.9	24.9	23.9	36.6	21.1
Overall surplus/deficit (-)	-10.6	-7.3	-6.7	-5.4	-5.8	-11.0	-3.0
Overall surplus/deficit (-), excluding restructuring operations	-3.0	-3.1	-5.4	-4.0	-0.4	-1.7	-0.6
Overall surplus/deficit (-), classifying grants as revenue:							
Including restructuring operations	-8.0	-5.2	-5.0	-2.8	-3.3	-7.7	-1.6
Excluding restructuring operations	-0.4	-1.0	-3.8	-1.4	2.1	1.5	0.8
Primary balance	-7.3	-4.7	-4.1	-2.4	-3.6	-6.9	-0.9

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Including operations financed directly from abroad and not recorded in treasury accounts, operations related to the restructuring of banks and public enterprises; excluding grants received in the form of cancellation on future amortization payments, amounting to the equivalent of 16.0 percent of GDP in 1989.

<sup>2/</sup> On a commitment basis.

<sup>3/</sup> Includes program loans.

Table 31. Mauritania: Structure of Budgetary Revenue, 1989-94 <sup>1/</sup>

(In millions of ouguiyas)

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994
Tax revenue <sup>2/</sup>	14,298	15,052	15,333	17,064	16,026	21,571	17,753
Tax on income and profits	5,544	5,538	5,256	5,949	5,423	7,387	5,843
Tax on business profits	2,477	2,605	2,400	2,831	2,731	3,680	2,901
Tax on wages and salaries	2,754	2,689	2,652	2,863	2,458	3,370	2,681
General income tax	154	158	93	124	128	196	162
Other	159	86	111	131	106	141	99
Employers' payroll tax	26	32	22	31	37	40	32
Taxes on property	151	187	199	172	172	250	187
Taxes on goods and services	2,627	3,368	2,931	2,915	2,585	3,457	3,723
Turnover taxes	673	763	773	749	823	1,162	800
Tax on petroleum products	1,084	1,167	1,122	1,256	1,017	1,298	2,192
Other excises	766	1,327	919	801	636	879	587
Other	104	111	117	109	109	118	144
Taxes on international trade	5,916	5,812	6,789	7,906	7,714	10,437	7,817
Import taxes	3,549	4,079	4,927	5,639	5,311	7,150	5,945
Export tax on fish	2,367	1,733	1,862	2,267	2,403	3,147	1,872
Other taxes and duties	34	115	136	91	95	140	151
Nontax revenue	2,970	3,656	3,988	3,806	2,726	5,407	4,211
Fishing royalties and penalties	1,246	1,752	1,078	1,163	329	1,821	1,688
Other nontax revenue	1,724	1,904	2,910	2,643	2,397	3,586	2,523
Revenue from public enterprises	671	358	264	480	376	1,166	406
Other	1,053	1,546	2,646	2,163	2,021	2,420	2,117
Revenue from capital	566	451	400	206	592	749	647
Total budgetary revenue	17,834	19,159	19,721	21,076	19,345	27,727	22,611
Special accounts	1,010	1,072	902	912	410	609	327
Total revenue <sup>2/</sup>	18,844	20,231	20,623	21,988	19,755	28,336	22,938

Sources: Data provided by the Mauritanian authorities; and staff estimates.

<sup>1/</sup> Owing to rounding, totals may not add to sum of components.<sup>2/</sup> For 1991, 1992, and 1993 these totals do not agree with those shown in Tables 29 and 30 because the latter have been adjusted to exclude uncashed checks.

Table 32. Mauritania: Structure of Budgetary Revenue, 1989-94 1/

(In percent of total)

	1989	1990	1991	1992	Jan. - Sept. 1993	1993	Jan. - Sept. 1994
Tax revenue	80.2	78.6	77.7	81.0	82.8	77.8	78.5
Tax on income and profits	31.1	28.9	26.7	28.2	28.0	26.6	25.8
Tax on business profits	13.9	13.6	12.2	13.4	14.1	13.3	12.8
Tax on wages and salaries	15.4	14.0	13.4	13.6	12.7	12.2	11.9
General income tax	0.9	0.8	0.5	0.6	0.7	0.7	0.7
Other	0.9	0.4	0.6	0.6	0.5	0.5	0.4
Employers' payroll tax	0.1	0.2	0.1	0.1	0.2	0.1	0.1
Taxes on property	0.8	1.0	1.0	0.8	0.9	0.9	0.8
Taxes on goods and services	14.7	17.6	14.9	13.8	13.4	12.5	16.5
Turnover taxes	3.8	4.0	3.9	3.6	4.3	4.2	3.5
Tax on petroleum products	6.1	6.1	5.7	6.0	5.3	4.7	9.7
Other excises	4.3	6.9	4.7	3.8	3.3	3.2	2.6
Other	0.6	0.6	0.6	0.5	0.6	0.4	0.6
Taxes on international trade	33.2	30.3	34.4	37.5	39.9	37.6	34.6
Import taxes	19.9	21.3	25.0	26.8	27.5	25.8	26.3
Export tax on fish	13.3	9.0	9.4	10.8	12.4	11.3	8.3
Other taxes and duties	0.2	0.6	0.7	0.4	0.5	0.5	0.7
Nontax revenue	16.7	19.1	20.2	18.1	14.1	19.5	18.6
Fishing royalties and penalties	7.0	9.1	5.5	5.5	1.7	6.6	7.5
Other nontax revenue	9.7	9.9	14.8	12.5	12.4	12.9	11.2
Revenue from public enterprises	3.8	1.9	1.3	2.3	1.9	4.2	1.8
Other	5.9	8.1	13.4	10.3	10.4	8.7	9.4
Revenue from capital	3.2	2.4	2.0	1.0	3.1	2.7	2.9
Total budgetary revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

1/ Owing to rounding, totals may not add to sum of components.

Table 33. Mauritania: Treasury Expenditure, 1989-94

(In millions of ouguiyas)

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994
Budgetary expenditure <sup>1/</sup>	16,910	17,981	19,257	20,794	17,250	25,253	18,784
Operating expenditure	15,864	16,765	17,833	19,248	15,530	22,868	16,821
Wages and salaries	4,919	5,165	5,422	5,964	4,850	6,436	5,138
Goods and services <sup>2/</sup>	3,273	3,970	4,645	4,869	3,880	6,020	4,583
Subsidies and transfers <sup>2/</sup>	1,793	2,259	2,130	1,844	1,580	2,105	1,581
Interest on public debt <sup>3/</sup>	2,650	2,132	2,404	3,144	2,560	4,671	2,719
Military expenditures	3,229	3,239	3,232	3,427	2,680	3,636	2,800
Investment expenditure <sup>4/</sup>	1,046	1,216	1,424	1,546	1,720	2,375	1,963
Special accounts	847	879	648	813	270	432	229
Net lending <sup>5/</sup>	49	180	77	105	--	30	150
Total expenditure and net lending <sup>1/</sup>	17,806	19,040	19,982	21,712	17,520	25,715	19,163

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Excludes unclassified expenditure shown in Tables 29 and 30.<sup>2/</sup> Including arrears unrecorded at the Treasury level.<sup>3/</sup> Interest due.<sup>4/</sup> Excluding foreign-financed investment expenditure.<sup>5/</sup> Excluding extrabudgetary outlays related to restructuring operations.

Table 34. Mauritania: Treasury Expenditure, 1989-94 <sup>1/</sup>

(In percent of total)

	1989	1990	1991	1992	<u>Jan. - Sept.</u> 1993	1993	<u>Jan. - Sept.</u> 1994
Budgetary expenditure	95.0	94.4	96.4	95.8	98.5	98.2	98.0
Operating expenditure	89.1	88.1	89.2	88.7	88.6	88.9	87.8
Wages and salaries	27.6	27.1	27.1	27.5	27.7	25.0	26.8
Goods and services	18.4	20.9	23.2	22.4	22.1	23.4	23.9
Subsidies and transfers	10.1	11.9	10.7	8.5	9.0	8.2	8.3
Interest on public debt	14.9	11.2	12.0	14.5	14.6	18.2	14.2
Military expenditures	18.1	17.0	16.2	15.8	15.3	14.1	14.6
Investment expenditure	5.9	6.4	7.1	7.1	9.8	9.2	10.2
Special accounts	4.8	4.6	3.2	3.7	1.5	1.7	1.2
Net lending	0.3	0.9	0.4	0.5	--	0.1	0.7
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Owing to rounding, totals may not add up to sum of components.

Table 35. Mauritania: Subsidies and Transfers, 1989-93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Government agencies and public enterprises <sup>1/</sup>	954	1,255	1,315	1,199	1,392
Scholarships	340	321	357	341	348
Transfers to local authorities	63	66	66	66	80
Transfers to communes	9	9	9	9	7
Transfers to nonprofit organizations	10	8	10	7	6
Transfers to international organizations	128	175	175	175	147
Other	286	425	198	155	119
Total	1,793	2,259	2,130	1,952	2,099

Source: Data provided by the Directorate of Budget, Ministry of Finance.

<sup>1/</sup> Including nonbudgeted subsidies to SONELEC amounting to UM 307 million in 1990 and UM 367 in 1991.

Table 36. Mauritania: Deposit Money Banks, as of End—September 1994

Name of Bank	Shareholders		Year of Establish- ment	Subscribed Capital (UM million)	Number of Branches
Banque Arabe—Libyenne en Mauritanie (BALM) <sup>1/</sup>	Mauritanian Government:	49 percent	1972	2,000	2
	Banque Libyenne du Commerce Extérieur:	51 percent			
Banque Al Baraka Mauritanienne Islamique (BAMIS)	Groupe Al Baraka JEDDAH:	50 percent	1986	3,000	1
	Private Mauritians:	50 percent			
Banque Mauritanienne pour le Commerce International (BMCI)	Private Mauritians:	100 percent	1986	1,000	4
Banque Nationale de Mauritanie (BNM) <sup>2/</sup>	Private Mauritians:	100 percent	1989	1,000	8

Source: Data provided by the Mauritanian authorities.

<sup>1/</sup> The name of the bank has recently been changed to Chinguitty Bank.

<sup>2/</sup> Bank resulting from the merger of the former Banque Internationale pour la Mauritanie (BIMA) and Société Mauritanienne de Banque (SMB).

Table 37. Mauritania: Monetary Survey, 1990–September 1994 <sup>1/</sup>

(In millions of ouguiyas; end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
<b>Net foreign assets</b>	-19,732	-23,726	-31,813	-29,516	-30,273	-33,062
Central Bank	-12,575	-10,681	-20,966	-20,066	-20,258	-21,861
Commercial banks	-7,156	-13,045	-10,847	-9,450	-10,015	-11,201
<b>Net domestic assets</b>	43,123	49,283	59,726	57,292	57,846	56,989
<b>Domestic credit</b>	44,986	49,389	49,617	49,359	52,975	50,355
Claims on the Government (net)	9,127	9,567	8,957	8,233	11,159	8,679
Central Bank	9,706	10,229	9,857	8,414	11,406	9,609
Commercial banks	-579	-663	-900	-181	-247	-930
Claims on the economy	35,859	39,822	40,660	41,126	41,816	41,676
Other items (net), of which:	-1,863	-106	9,585	7,933	4,871	6,634
Valuation change	2,949	3,347	12,225	13,811	14,211	16,089
Other	-4,812	-3,453	-2,640	-5,878	-9,340	-9,455
<b>Money and quasi-money</b>	23,391	25,557	27,389	27,776	27,573	23,927
<b>Money</b>	17,621	19,376	20,202	20,772	20,938	17,687
Currency outside banks and						
Treasury	6,139	7,335	7,898	9,315	9,097	8,046
Demand deposits	11,482	12,041	12,304	11,457	11,841	9,641
Quasi-money	5,769	6,181	7,187	7,004	6,635	6,240

Source: Data provided by the Mauritanian authorities.

<sup>1/</sup> Including the accounts of the development bank (UBD) which was liquidated in 1994.

Table 38. Mauritania: Assets and Liabilities of the Central Bank, 1990-September 1994

(In millions of ouguiyas; end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
<b>Assets</b>	27,621	31,364	42,775	48,247	49,230	49,825
Foreign assets	4,137	5,309	7,598	6,132	6,218	6,368
Gold	344	326	439	489	555	557
Foreign exchange	3,576	4,868	7,045	5,536	5,556	5,706
SDRs	63	9	9	2	2	--
Other	153	105	105	105	105	105
Claims on the Government, of which:	11,475	12,990	14,057	15,925	18,979	17,735
Treasury bonds (BNM)	4,510	4,510	4,510	6,403	6,404	6,404
Treasury bonds (UBD)	2,530	3,180	3,180	3,180	6,143	6,143
Claims on commercial banks	3,682	2,858	5,980	5,382	2,353	2,388
Other claims	448	507	559	631	625	705
Other assets	7,880	9,701	14,581	20,177	21,055	22,629
<b>Liabilities</b>	27,621	31,364	42,775	48,247	49,230	49,825
Reserve money	8,961	12,102	14,706	21,855	22,810	20,585
Currency outside banks and Treasury	6,139	7,335	7,898	9,315	9,097	8,046
(Memo: total currency in circulation)	6,710	8,173	8,326	10,611	10,176	9,686
Bankers' deposits	2,517	4,372	6,490	12,312	13,380	12,434
Deposits of public enterprises	305	395	318	228	333	105
Foreign liabilities	16,712	15,990	28,564	26,198	26,476	28,229
Short-term, of which:	5,558	4,767	13,533	10,974	10,813	11,902
Pending transfers	--	285	6,506	2,606	2,703	743
Use of Fund credit	5,445	4,397	6,868	8,224	7,944	11,052
Long-term	11,154	11,222	15,031	15,224	15,663	16,327
Government deposits, of which:	1,768	2,761	4,200	7,511	7,573	8,126
Counterpart funds	336	608	2,730	6,090	6,049	7,203
Capital account	4,149	4,177	4,496	4,978	4,946	5,172
Other liabilities, of which:	-3,969	-3,664	-9,191	-12,295	-12,525	-12,287
Valuation change	-2,949	-3,344	-10,382	-12,401	-12,711	-14,669
<b>Memorandum items:</b>						
Net foreign assets	-12,575	-10,681	-20,966	-20,066	-20,258	-21,861
Net credit to the Government	9,706	10,229	9,857	8,414	11,406	9,609
Other items (net)	-8,864	-7,675	-18,766	-20,564	-17,657	-19,698

Source: Central Bank of Mauritania (BCM).

Table 39. Mauritania: Assets and Liabilities of the Commercial Banks, 1990-September 1994 <sup>1/</sup>

(In millions of ouguiyas; end of period)

	Dec. 1990	Dec. 1991	Dec. 1992	Sept. 1993	Dec. 1993	Sept. 1994
<b>Assets</b>	52,775	62,715	61,785	66,824	67,092	65,645
Reserves <sup>2/</sup>	2,291	4,031	5,191	9,499	10,799	12,375
Of which: with the Central Bank	1,946	3,276	4,839	8,610	10,126	11,107
Foreign assets	2,231	1,100	1,809	3,450	3,201	2,880
Of which: with banks	2,075	1,003	1,606	3,226	2,966	2,644
Claims on the Government	-465	-612	-742	-105	-166	-850
Of which:						
Treasury bonds (BALM)	--	--	--	479	479	479
Treasury bonds (BNM)	--	--	--	378	399	--
Claims on the economy	35,411	39,315	40,101	40,495	41,191	40,971
Of which: short-term credit	31,715	35,467	36,487	36,765	37,457	37,243
Other assets	13,307	18,880	15,426	13,485	12,067	10,269
<b>Liabilities</b>	52,775	62,714	61,785	66,824	67,092	65,645
Demand deposits	11,178	11,646	11,986	11,229	11,508	9,536
Time deposits	5,769	6,181	7,187	7,004	6,635	6,240
Foreign liabilities	9,387	14,145	12,656	12,900	13,216	14,081
Of which: to banks	8,825	13,209	11,709	12,207	13,051	13,818
Government deposits	115	51	158	76	81	80
Credit from the Central Bank	2,668	1,801	4,380	3,351	3,351	3,358
Capital accounts	12,597	13,905	14,018	17,867	20,802	21,518
Other liabilities	11,061	14,985	11,400	14,397	11,499	10,832
Of which: valuation change	--	-3	-1,843	-1,410	-1,500	-1,420
<b>Memorandum items:</b>						
Net foreign assets	-7,156	-13,045	-11,371	-9,450	-10,015	-11,201
Net credit to the Government	-579	-663	-900	-181	-247	-930
Other items (net)	10,727	7,780	9,181	12,631	12,786	13,064

Source: Central Bank of Mauritania (BCM).

<sup>1/</sup> Including the accounts of the development bank (UBD) which was liquidated in 1994.<sup>2/</sup> Including cash held by the commercial banks.

Table 40. Mauritania: Claims of the Banking System on the Government, 1990–September 1994

(In millions of ouguiyas; end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
Net claims on the Government	9,127	9,567	8,957	8,233	11,159	8,679
Central Bank's claims (net)	9,706	10,229	9,857	8,414	11,406	9,609
Claims	11,475	12,990	14,057	15,925	18,979	17,735
Advances to the Treasury	--	723	1,790	1,823	1,913	629
Claims on public enterprises	926	926	926	926	926	926
Other claims on the Government	10,774	11,424	11,424	13,317	16,140	16,180
Minus: cash at the Treasury	-226	-83	-83	-141	-141	-101
Liabilities	1,768	2,761	4,200	7,511	7,573	8,126
Deposits of central administration	2,082	3,244	4,529	7,740	7,907	8,282
Minus: private deposits (Post Office)	-314	-483	-329	-229	-334	-156
Commercial banks' claims (net)	-579	-663	-900	-181	-247	-930
Claims	-465	-612	-742	-105	-166	-850
Claims on Central Administration	198	152	193	1,144	1,083	645
Minus: Treasury (customs bills)	-663	-764	-935	-1,249	-1,249	-1,495
Liabilities	115	51	158	76	81	80
Deposits, Treasury	108	38	145	60	61	63
Other	7	12	13	16	20	17

Source: Data provided by the Mauritanian authorities.

Table 41. Mauritania: Foreign Assets and Liabilities of the Banking System, 1990–September 1994 <sup>1/</sup>

(In millions of ouguiyas, end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
Banking system (net)	-19,732	-23,726	-32,337	-29,516	-30,273	-33,062
Assets	6,368	6,409	8,883	9,582	9,419	9,248
Liabilities	-26,099	-30,135	-41,220	-39,098	-39,692	-42,310
Central Bank (net)	-12,575	-10,681	-20,966	-20,066	-20,258	-21,861
Assets	4,137	5,309	7,598	6,132	6,218	6,368
Gold	344	326	439	489	555	557
Foreign exchange	3,576	4,868	7,045	5,536	5,556	5,706
SDRs	63	9	9	2	2	--
Bilateral balances	39	--	--	--	--	--
Other	114	105	105	105	105	105
Liabilities	-16,712	-15,990	-28,564	-26,198	-26,476	-28,229
Fund credit	-5,448	-4,397	-6,868	-8,224	-7,944	-11,052
Banks and correspondents	-6,975	-7,293	-16,226	-12,759	-13,049	-11,384
Of which: pending transfers	...	-285	-6,506	-2,606	-2,703	-743
Arab Monetary Fund	-4,179	-4,214	-5,311	-5,071	-5,317	-5,686
Other	-113	-86	-159	-144	-166	-107
Commercial banks (net)	-7,156	-13,045	-11,371	-9,450	-10,015	-11,201
Assets	2,231	1,100	1,285	3,450	3,201	2,880
Liabilities	-9,387	-14,145	-12,656	-12,900	-13,216	-14,081
Banks and correspondents	-8,825	-13,209	-11,709	-12,207	-13,051	-13,818
Other	-562	-936	-947	-693	-165	-263
Ouguiyas/SDR (end–period)	110.740	111.316	158.263	170.421	170.546	182.131

Source: Central Bank of Mauritania (BCM).

<sup>1/</sup> Including the foreign assets and liabilities of the development bank (UBD) which was liquidated in 1994.

<sup>2/</sup> Starting in 1990, the stock of outstanding liabilities has been adjusted to reflect Mauritania's position vis-à-vis the Arab Monetary Fund to ensure consistency with the balance of payments.

Table 42. Mauritania: Selected Interest Rates on Lending and Deposits, End–September 1994

(In percent per year)

	Rate
Discount Rate of the Central Bank	11
Maximum rate charged by commercial banks on credits extended to customers	18
Rate applied to demand deposits of Mauritians residing overseas <sup>1/</sup>	8
Minimum rate on savings	9

Source: Data provided by the Mauritanian authorities.

<sup>1/</sup> There is no interest paid on demand deposits of residents.

Table 43. Mauritania: Distribution of Bank Credit According to Maturity and Economic Sectors, 1990-September 1994 <sup>1/</sup>

(In millions of ouguiyas; end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
Short-term	28,663	32,510	34,538	36,383	37,579	38,243
Agriculture and livestock	390	374	449	503	435	446
Fishing	9,843	12,886	12,758	13,117	13,931	13,969
Mining	125	103	141	173	178	207
Manufacturing	1,663	1,846	2,346	1,967	2,072	2,325
Construction	1,151	1,219	1,156	1,127	1,080	1,144
Transport	697	878	924	904	1,081	919
Services	1,925	1,861	1,835	1,973	2,031	2,431
Trade	10,501	10,726	11,364	12,907	13,062	13,297
Other	2,210	2,617	3,565	3,712	3,709	3,506
Medium-term	3,668	3,565	3,306	2,927	2,624	2,305
Agriculture and livestock	401	448	406	390	387	370
Fishing	1,669	1,365	1,457	1,161	884	709
Mining	--	--	--	--	--	--
Manufacturing	801	830	570	558	558	509
Construction	131	20	--	--	3	--
Transport	4	33	33	4	4	4
Services	122	282	323	330	324	298
Trade	49	44	38	38	33	25
Other	491	543	479	446	431	390
Total	32,331	36,075	37,844	39,310	40,203	40,548

Source: Central Bank of Mauritania (BCM).

<sup>1/</sup> Including credit from the development bank (UBD) which was liquidated in 1994.

Table 44. Mauritania: Balance of Payments, 1989-94

	1989	1990	1991	1992	1993	Proj. 1994
(In millions of SDRs)						
Trade balance	49	-16	13	-30	-7	26
Exports, of which:	349	311	320	294	286	284
Iron ore	141	153	155	110	114	119
Fish	200	152	162	174	158	150
Imports, c.i.f.	-300	-317	-307	-325	-293	-259
Services (net)	142	-135	-123	-129	-136	-124
Nonfactor services	-95	-91	-79	-81	-86	-83
Factor services	-47	-44	-45	-47	-49	-41
Of which: interest payments due	-51	-46	-46	-48	-47	-40
Private unrequited transfers (net)	-19	-10	-11	19	-1	-2
Current account (excluding official transfers)	-111	-161	-122	-140	-143	-100
Official transfers <sup>1/</sup>	223	65	61	66	76	80
Adjustment grants	3	5	4	14	16	14
Other (net)	220	60	57	52	60	65
Current account (including official transfers)	112	-96	-61	-74	-67	-20
Capital account	-157	7	-40	14	48	13
Direct investment	3	6	4	5	12	2
Official medium- and long-term loans	-166	-3	-18	8	12	20
Disbursements	63	65	53	85	88	65
Project loans	42	42	41	76	55	40
Program lending	21	22	13	9	33	25
Principal due <sup>1/</sup>	-229	-67	-72	-77	-75	-45
Other capital and errors and omissions	7	4	-25	--	24	-9
Overall balance	-45	-89	-100	-61	-19	-7
Financing	45	89	100	61	19	7
Net foreign assets (excluding arrears)	-13	17	-11	-5	-5	-15
Central bank	-27	24	-21	41	7	-4
Assets	-23	30	-10	--	12	-9
Liabilities	-4	-6	-11	41	-4	5
Use of Fund resources (net)	1	-3	-10	3	4	13
Other	-5	-3	-1	39	-8	-8
Commercial banks	14	-7	10	-45	-12	-11
Exceptional financing	58	72	111	65	24	22
Accruals (+) / reductions (-) of arrears	-19	54	108	62	-170	-34
Debt rescheduling and cancellation <sup>2/</sup>	77	18	4	4	194	57
Current maturities <sup>3/</sup>	35	15	4	4	43	20
Arrears	15	--	--	--	151	37
(In percent of GDP, unless otherwise specified)						
Current account deficit						
Including official transfers	14.6	-12.8	-7.4	-8.8	-9.9	-2.8
Excluding official transfers	-14.5	-21.5	-14.7	-16.6	-21.1	-13.8
Overall balance	-5.9	-11.9	-12.2	-7.2	-2.7	-2.0
Gross official reserves						
In months of imports	1.7	0.9	1.2	1.2	1.0	1.3
In millions of SDRs	67.3	37.4	47.7	48.0	36.5	45.6
Debt service ratio <sup>4/</sup>						
Before debt relief	37.6	35.7	34.7	41.8	44.3	30.7
After debt relief (excluding arrears reduction)	-7.0	26.7	33.7	40.7	30.4	25.9

Sources: Data provided by the authorities; and staff estimates and projections.

<sup>1/</sup> Includes cancellation of loans maturing in future years amounting to SDR 141.4 million in 1989.<sup>2/</sup> Already agreed.<sup>3/</sup> The amounts represent maturities for the year even though they may have been in arrears at the time of rescheduling.<sup>4/</sup> In percent of exports of goods and services.

Table 45. Mauritania: Arrears on External Public Debt,  
December 31, 1992–September 30, 1994

	<u>As of December 31, 1992</u>			<u>As of December 31, 1993</u>			<u>As of September 30, 1994</u>		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
<u>(In millions of SDRs)</u>									
I. Paris Club creditors	71.3	32.5	103.8	--	--	--	--	--	--
Pre-cut off date and not previously rescheduled debt	31.7	7.8	39.5	--	--	--	--	--	--
State	31.7	7.8	39.5	--	--	--	--	--	--
Public enterprises	--	--	--	--	--	--	--	--	--
Pre-cut off date and previously rescheduled debt	37.3	24.3	61.6	--	--	--	--	--	--
State	32.7	20.0	52.7	--	--	--	--	--	--
Public enterprises	4.6	4.3	8.9	--	--	--	--	--	--
Post-cut off date debt	2.3	0.4	2.7	--	--	--	--	--	--
State	1.8	0.2	2.0	--	--	--	--	--	--
Public enterprises	0.5	0.2	0.7	--	--	--	--	--	--
II. Non-Paris Club creditors	61.1	25.0	86.1						
Other bilateral	48.1	19.1	67.2	36.7	21.0	57.7	17.4	17.6	35.0
State	41.0	8.6	49.6	27.7	7.3	35.0	17.4	3.5	20.9
Public enterprises	7.1	10.5	17.6	9.0	13.7	22.7	--	14.1	14.1
Multilateral	13.0	5.9	18.9	--	--	--	--	--	--
State	10.6	2.2	12.8	--	--	--	--	--	--
Public enterprises	2.4	3.7	6.1	--	--	--	--	--	--
III. Total	132.4	57.5	189.9	36.7	21.0	57.7	17.4	17.6	35.0
State	117.8	38.8	156.6	27.7	7.3	35.0	17.4	3.5	20.9
Public enterprises	14.6	18.7	33.3	9.0	13.7	22.7	--	14.1	124.1
<u>(In billions of ouguiyas)</u>									
Memorandum items:									
Total	21.1	9.2	30.4	6.2	3.6	9.8	3.2	3.2	6.4
State	18.9	6.2	25.1	4.7	1.2	5.9	3.2	0.6	3.8
Public enterprises	2.3	3.0	5.3	1.5	2.4	3.9	--	2.6	2.6

Source: Data provided by the Mauritanian authorities.

1/ Including late interest.

Table 46. Mauritania: Foreign Assets and Liabilities of the Banking System, 1990–September 1994 <sup>1/</sup>

(In millions of SDRs; end of period)

	<u>Dec.</u> 1990	<u>Dec.</u> 1991	<u>Dec.</u> 1992	<u>Sept.</u> 1993	<u>Dec.</u> 1993	<u>Sept.</u> 1994
Banking system (net)	-178.2	-213.1	-204.3	-173.2	-177.5	-181.5
Assets	57.5	57.6	56.1	56.2	55.2	50.8
Liabilities	-235.7	-270.7	-260.5	-229.4	-232.7	-232.3
Central Bank (net)	-113.6	-96.0	-132.5	-117.7	-118.8	-120.0
Assets	37.4	47.7	48.0	36.0	36.5	35.0
Gold	3.1	2.9	2.8	2.9	3.3	3.1
Foreign exchange	32.3	43.7	44.5	32.5	32.6	31.3
SDRs	0.6	0.1	0.1	0.0	0.1	0.0
Bilateral balances	0.4	0.0	0.0	0.0	0.0	0.0
Other	1.0	0.9	0.6	0.6	0.5	0.6
Liabilities <sup>2/</sup>	-150.9	-143.6	-180.5	-153.7	-155.2	-155.0
Fund credit	-49.2	-39.5	-42.0	-47.1	-46.1	-60.7
Banks and correspondents	-63.0	-65.5	-102.5	-74.9	-76.5	-62.5
Of which: pending transfers		-2.6	-41.1	-15.3	-15.8	-4.1
Other	-1.0	-0.8	-2.4	-2.0	-1.5	-0.6
Arab Monetary Fund	-37.7	-37.9	-33.6	-29.8	-31.2	-31.2
Commercial banks (net)	-64.6	-117.2	-71.8	-55.5	-58.7	-61.5
Assets	20.1	9.9	8.1	20.2	18.8	15.8
Liabilities	-84.8	-127.1	-80.0	-75.7	-77.5	-77.3
Banks and correspondents	-79.7	-118.7	-74.0	-71.6	-76.5	-75.9
Other	-5.1	-8.4	-6.0	-4.1	-1.0	-1.4
Ouguiyas/SDR (end-period)	110.740	111.316	158.263	170.421	170.546	182.131
Memorandum items:						
Gross official reserves						
In months of imports	0.9	1.2	1.2	...	1.0	...

Source: Central Bank of Mauritania (BCM).

<sup>1/</sup> Including the foreign assets and liabilities of the development bank (UBD), which was liquidated in 1994.

<sup>2/</sup> Starting in 1990, the stock of outstanding liabilities has been adjusted to reflect Mauritania's position vis-à-vis the Arab Monetary Fund to ensure consistency with the balance of payments.

Table 47. Mauritania: Exports, 1989-94  
(In millions of SDRs, except where otherwise stated)

	1989	1990	1991	1992	Jan.-Sept. 1993	1993	Jan.-Sept. 1994	Proj. 1994
Total exports, f.o.b.	349.2	311.1	320.1	294.2	219.8	286.4	203.5	284.3
Iron ore								
Value	141.2	153.4	155.3	109.8	83.4	114.0	81.5	118.9
Volume (millions of metric tons)	11.1	11.4	10.6	8.0	7.1	9.7	7.4	10.5
Change in percent	11.4	2.0	-6.5	-24.6	...	21.6	4.2	7.8
Unit value (SDR/metric ton)	12.7	13.5	14.6	13.7	11.7	11.7	10.9	11.3
Change in percent	21.0	6.5	8.3	-6.3	...	-14.6	-6.8	-3.3
Fish								
Value	200.5	152.0	162.1	173.9	127.4	158.0	110.4	149.8
Pelagic <sup>1/</sup>	65.6	56.2	54.0	55.7	42.7	55.9	18.1	30.9
Demersal fish	12.4	8.7	8.0	9.2	4.9	6.7	7.1	9.4
Cephalopod	118.9	77.6	96.4	106.9	77.7	90.8	80.7	102.6
Other	3.6	9.5	3.7	2.1	2.1	4.5	4.5	6.9
Volume (thousands of metric tons)	322.4	283.0	277.6	290.6	229.0	308.5	124.7	199.0
Pelagic <sup>1/</sup>	266.0	236.1	228.1	232.8	176.5	243.9	78.1	133.2
Demersal fish	12.3	8.1	7.7	8.1	4.5	6.3	7.5	9.5
Cephalopod	40.3	28.6	37.3	47.0	45.4	54.8	31.7	45.1
Other	3.8	10.2	4.5	2.7	2.6	3.5	7.5	11.2
Unit value (SDR/metric ton)								
Pelagic <sup>1/</sup>	246.7	237.9	236.8	239.3	241.8	229.3	232.1	232.3
Demersal fish	1,012.0	1,078.9	1,034.6	1,141.0	1,088.0	1,068.6	941.6	989.6
Cephalopod	2,950.6	2,713.1	2,584.6	2,273.8	1,711.5	1,657.1	2,549.0	2,273.9
Other	947.4	946.6	828.3	796.0	821.0	1,289.1	604.8	613.6
Gold								
Value	--	--	--	4.9	8.2	11.1	10.2	13.9
Volume (thousands of ounces)	--	--	--	20.1	30.8	41.6	40.6	54.8
Change in percent	--	--	--	--	...	107.0	31.8	31.8
Unit value (SDR/ounce)	--	--	--	243.7	266.2	267.0	251.8	252.9
Change in percent	--	--	--	--	...	9.6	-5.4	-5.3
Other	7.5	5.7	2.6	5.6	0.8	3.3	1.4	1.8

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Including fish meal.

Table 48. Mauritania: Foreign Trade Indices, 1989-93

*(Annual percentage changes)*

	1989	1990	1991	1992	1993
Export value (SDR)	6.5	-10.9	2.9	-8.1	-2.6
Export volume	1.6	-6.4	-2.3	-3.4	17.0
Export price (SDR)	4.9	-4.8	5.3	-4.8	-16.8
Import value (SDR)	2.9	8.4	-5.8	7.1	-10.8
Import volume	-3.8	6.3	-5.0	8.4	-12.9
Import price (SDR)	7.0	2.0	-0.9	-1.2	2.4
Terms of trade (SDR)	-2.0	-6.7	6.2	-3.7	-18.7
Export price (UM)	10.4	-2.2	7.9	4.0	14.5
Import price (UM)	12.6	4.8	1.6	8.0	40.9

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

Table 49. Mauritania: Imports, 1989-93

(In millions of SDRs, except where otherwise stated)

	1989	1990	1991	1992	1993
1. Total imports, f.o.b.	275.5	298.6	281.2	301.2	268.5
2. Settled through the domestic banking system <sup>1/</sup>	165.5	185.9	150.2	160.6	159.1
Food	70.3	73.7	64.3	72.4	58.1
Other consumption goods	18.5	24.2	16.9	17.6	9.4
Petroleum products (excluding SNIM)					
Value	27.0	31.4	26.7	23.6	24.7
Change in percent	43.4	16.4	-15.0	-39.1	3.6
Volume (thousands of metric tons)	204.7	189.9	181.8	191.0	204.9
Change in percent	-12.1	-7.2	-4.3	5.0	7.3
Unit value (SDR/metric tons)	131.9	165.5	147.0	123.7	120.4
Change in percent	63.2	25.5	-11.2	-15.9	-2.7
Transportation goods and other machinery <sup>2/</sup>	18.0	19.6	16.6	15.2	11.5
Fishing equipment	7.7	10.7	4.3	4.1	5.1
Other imports:					
Settled through the Central Bank	18.2	26.3	21.4	30.0	32.7
Financed through an increase in commercial banks' liabilities	5.8	--	12.0	--	
Of which: fishing boats	--	--	--	--	17.6
3. Imports financed directly abroad	110.0	112.7	131.0	140.6	109.4
SNIM external operations account	61.2	69.0	69.4	60.5	43.2
Public investment	30.0	30.1	31.9	60.3	42.0
Of which: SNIM imports	16.2	14.2	15.1	41.0	28.1
Food aid <sup>3/</sup>	10.6	9.1	15.1	14.8	8.5
Red Crescent and other aid	2.5	4.5	2.6	3.0	3.0
Other capital and intermediate goods	--	--	--	2.0	3.5
Other	5.7	--	12.0	--	9.2

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> These amounts include adjustments introduced by the Central Bank to the import value of some goods so that such value is recorded on a transaction rather than on a cash basis. To that extent, the amounts shown in the table as imports financed through an increase in commercial banks' liabilities are underestimated.

<sup>2/</sup> From 1990 onwards includes imports for the development of a new gold mine, part of which is directly financed abroad.

<sup>3/</sup> Includes cereals and other food aid.

Table 50. Mauritania: SNIM – External Payments Transactions, 1989–93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
<b>Banking system (BCM settlements)</b>					
Exports	3,868	3,866	4,297	2,878	5,295
Imports	--	--	--	--	--
Nonfactor service payments	--	--	--	--	-20
Interest payments	-69	-17	--	--	--
Private transfers	--	--	-25	-16	--
Disbursements	--	--	--	--	--
Amortization	--	--	--	--	--
Reserve movements <sup>1/</sup>	3,799	3,849	4,272	2,859	5,275
<b>SNIM external accounts</b>					
Exports	11,395	12,549	13,294	10,175	13,910
Imports	-6,511	-7,542	-7,732	-7,043	-7,289
Nonfactor service payments	-491	-928	-1,064	-1,076	-1,107
Interest payments	-1,158	-1,084	-1,256	-1,252	-1,397
Private transfers	-496	-585	-187	-179	-210
Amortization	-2,487	-2,377	-2,128	-2,855	-3,363
Other	--	--	--	--	-323
Reserve movements <sup>2/</sup>	252	31	1,384	-2,230	221
<b>Transactions directly financed abroad</b>					
Imports	-1,726	-1,548	-2,801	-4,512	-4,741
Nonfactor service (payments, -)	-400	-230	-60	-736	-1,268
Interest payments	--	--	--	--	--
Private transfers	--	--	--	--	--
Disbursements	2,126	1,778	3,110	5,938	5,568
Amortization	--	--	--	--	--
Reserve movements	--	--	249	690	-441
<b>Total</b>					
Exports	15,263	16,415	17,591	13,053	19,205
Imports	-8,237	-9,090	-10,533	-11,555	-12,030
Nonfactor service payments	-891	-1,158	-1,124	-1,812	-2,395
Interest payments	-1,227	-1,086	-1,256	-1,252	-1,397
Private transfers	-496	-602	-212	-195	-210
Disbursements	2,126	1,778	3,110	5,938	5,568
Amortization	-2,487	-2,377	-2,128	-2,855	-3,363
Other	--	--	--	--	-323
Reserve movements	4,051	3,880	5,905	1,319	5,055

Source: Data provided by National Mining and Industrial Company (SNIM).

<sup>1/</sup> Net effect on official foreign exchange reserves.<sup>2/</sup> Change in SNIM's foreign exchange accounts.

Table 51. Mauritania: Direction of Exports, 1989-93 <sup>1/</sup>

(In millions of SDRs)

	1989	1990	1991	1992	1993
Total exports <sup>2/</sup>	351.8	345.8	376.9	315.3	304.4
Industrial countries	271.9	274.6	305.1	276.2	262.8
Belgium-Luxembourg	36.0	69.4	38.2	28.1	24.3
France	41.4	35.4	31.8	32.8	45.1
Germany	0.4	3.0	7.9	7.2	5.0
Italy	35.7	45.7	75.9	41.1	53.7
Japan	110.5	68.2	83.5	97.9	76.6
Spain	25.1	28.1	36.3	34.8	32.9
United Kingdom	10.5	16.1	18.0	14.6	15.0
United States	7.0	...	8.6	14.9	5.0
Others	5.3	8.7	4.9	5.2	5.2
Developing countries	42.9	31.1	28.4	37.6	39.4
Cameroon	2.6	3.2	6.4	9.2	12.9
Côte d'Ivoire	22.8	11.4	12.5	14.9	17.9
Romania	9.4	4.1	--	--	--
Others	8.1	12.4	9.5	13.5	8.6
Other countries <sup>3/</sup>	37.0	40.1	43.4	15.0	2.2

Source: IMF, Direction of Trade Statistics.<sup>1/</sup> Data (c.i.f.) based on partner country information.<sup>2/</sup> Includes unspecified areas.<sup>3/</sup> Includes the FSU and countries of Eastern Europe.

Table 52. Mauritania: Direction of Imports, 1989-93 <sup>1/</sup>

(In millions of SDRs)

	1989	1990	1991	1992	1993
Total imports <sup>2/</sup>	274.1	286.1	366.9	430.3	397.5
Industrial countries	213.5	222.7	274.8	317.8	282.9
Belgium-Luxembourg	6.8	23.6	31.9	20.7	23.6
France	116.8	109.9	104.3	117.5	106.7
Germany	17.6	21.8	28.8	26.2	17.2
Italy	5.1	4.4	18.5	29.7	19.3
Japan	4.5	6.7	5.0	16.3	10.0
Netherlands	15.1	9.9	9.9	10.8	32.9
Spain	22.7	17.9	41.5	34.0	34.4
United Kingdom	2.2	3.3	3.3	4.5	10.0
United States	16.5	17.8	17.5	47.7	15.0
Others	6.2	7.4	14.1	10.4	13.8
Developing countries	50.7	49.7	78.2	98.0	98.1
Algeria	10.6	14.5	24.1	25.6	30.1
Brazil	2.8	2.8	4.4	1.5	1.4
China, P.R.	13.1	14.2	6.9	11.5	3.6
Côte d'Ivoire	0.1	0.9	0.9	4.3	5.0
Hong Kong	0.1	0.4	3.1	7.8	6.7
Indonesia	0.4	0.1	3.8	5.7	9.3
Korea	0.2	0.1	2.2	0.9	--
Senegal	1.2	--	--	--	--
Thailand	14.3	4.6	7.3	11.2	6.4
Others	7.9	12.2	25.5	29.5	35.6
Other countries <sup>3/</sup>	9.9	13.7	13.9	14.5	16.5

Sources: IMF, Direction of Trade Statistics; and Fund staff estimates.<sup>1/</sup> Data based on partner country information.<sup>2/</sup> Includes unspecified areas.<sup>3/</sup> Includes the FSU and countries of Eastern Europe.

Table 53. Mauritania: Services, 1989-93

(In millions of SDRs)

	1989	1990	1991	1992	1993
Total services (net)	-166.2	-163.7	149.1	-152.2	-160.1
Nonfactor services (net)	-119.2	-120.2	-104.3	-104.9	-111.0
Receipts	39.9	37.6	46.5	34.1	23.9
Transport	4.7	3.6	5.6	1.6	1.8
Travel	9.9	5.7	7.9	4.7	4.2
Fishing royalties	11.8	15.5	12.1	11.7	9.6
Government	8.8	8.0	13.1	8.3	5.2
Other services	4.7	4.8	7.8	7.8	3.1
Payments	-159.0	-157.8	-150.8	-138.9	-134.9
Freight and insurance	-24.5	-29.0	-25.6	-23.4	-24.6
Travel	-20.4	-16.0	-12.7	-15.6	-10.7
Transport	-53.8	-43.9	-36.5	-43.9	-41.2
Fishing vessel leasing	-46.2	-35.5	-28.3	-33.7	-30.5
Other	-7.6	-8.4	-8.2	-10.2	-10.7
Government	-6.3	-12.6	-13.1	-11.7	-14.4
Other payments	-54.0	-56.5	-62.9	-44.4	-44.0
Related to the fishing sector	-34.7	-29.3	-25.6	-25.6	-10.9
Related to projects	-9.7	-14.0	-15.4	-10.7	-7.8
Other	-9.6	-13.2	-21.9	-8.0	-25.3
Factor services (net)	-47.1	-43.5	-44.7	-47.4	-49.2
Receipts	4.4	2.7	1.9	3.2	0.5
Payments due	-51.4	-46.2	-46.6	-50.6	-49.7
Direct investment income	-0.3	-0.3	-0.3	-2.2	-3.0
Interest on medium- and long-term debt	-51.1	-45.9	-46.3	-48.4	46.7
Of which: IMF	-3.5	-3.0	-2.1	-1.3	-1.2

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

Table 54. Mauritania: External Transactions of the Fishing Sector, 1989-93

(In millions of ouguiyas)

	1989	1990	1991	1992	1993
Receipts	23,142	19,545	20,692	22,286	27,365
Exports	21,346	17,315	18,847	21,154	26,656
Of which: repatriated <sup>1/</sup>	16,948	14,241	13,790	18,249	21,443
Royalties	1,225	1,730	1,367	1,132	709
Other services	571	500	478	--	--
Payments	10,844	9,856	7,380	7,644	10,003
Imports <sup>2/</sup>	2,371	2,883	1,331	1,103	1,001
Chartering of ships	4,775	3,697	3,748	4,436	6,127
Other services	3,695	3,276	2,301	2,105	2,875
Effect on current account (in percent of receipts)	12,299 53.1	9,689 49.6	13,313 64.3	14,642 65.7	17,362 63.4
Capital transactions	-491	-405	-1,646	1,173	860
Commercial credits (net)	-862	-1,028	--	--	185
Nonrepatriated earnings <sup>3/</sup>	371	623	-1,646	1,173	675
Net effect (In percent of receipts)	11,807 51.0	9,284 47.1	11,667 56.4	15,815 71.0	16,502 60.3

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Nonrepatriated export earnings cover expenditures abroad for chartering of ships, and other services.<sup>2/</sup> Excludes oil products, which are bought locally.<sup>3/</sup> Equal to imports without payments through the domestic banking system minus nonrepatriated exports. In 1989 and 1990, repatriated earnings appear to include earnings on exports of previous years, causing nonrepatriated earnings to be positive.

Table 55. Mauritania: Private and Public Transfers, 1989-93

(In millions of SDRs)

	1989	1990	1991	1992	1993
Total transfers (net)	204.5	54.7	49.8	85.1	75.3
Private transfers (net)	-18.5	-10.3	-11.3	19.3	-0.8
Receipts	6.4	12.2	8.6	40.9	20.6
Nonresidents <sup>1/</sup>	3.7	10.1	6.3	37.6	15.1
Technical assistants	0.7	0.4	0.2	0.2	1.1
Others	1.9	1.7	2.1	3.1	4.4
Payments	-24.9	-22.5	-19.9	-21.6	-21.4
With payments by Central Bank	-3.7	-2.7	-2.7	-2.5	-1.2
Nonresidents <sup>1/</sup>	-0.2	-0.1	-0.4	--	-0.7
Technical assistants	-3.1	-2.1	-1.7	-1.8	--
Others	-0.4	-0.5	-0.5	-0.6	-0.5
Without payments by Central Bank	-21.2	-19.7	-17.2	-19.2	-18.9
Nonresident technical assistants	-18.3	-16.0	-15.3	-17.7	-17.7
Others (SNIM's own assets)	-4.7	-3.7	-1.9	-1.5	-1.3
Public transfers (net)	223.0	65.0	60.7	65.8	76.1
Receipts	224.4	66.8	60.7	67.0	78.1
Program-related	3.5	5.1	3.9	13.9	15.6
Public investment-related	19.7	15.6	16.0	14.6	14.6
With payments	11.8	7.0	7.2	6.6	6.6
Without payments (direct financing)	7.9	8.6	8.8	8.0	8.0
Food aid, c.i.f.	12.3	10.6	16.3	16.8	9.4
Red Crescent aid, c.i.f.	2.9	2.9	2.7	2.5	2.5
Other grants	44.7	32.6	21.9	19.2	19.2
Debt forgiveness <sup>2/</sup>	141.3	--	--	--	--
Payments	-1.4	-1.7	--	-1.2	-2.0

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

<sup>1/</sup> Transfers from Mauritanian workers abroad.

<sup>2/</sup> Canceled future principal payments.

Table 56. Mauritania: External Debt and Debt Service, 1989-93

	1989	1990	1991	1992	1993
	(In millions of SDRs)				
Total debt service due (including IMF)	146.2	124.4	127.8	140.9	139.8
Principal due (excluding Fund repurchases) <sup>1/</sup>	87.6	67.3	71.9	81.7	82.0
Interest due (excluding Fund)	47.6	42.9	44.2	47.1	45.5
Fund repurchases	7.4	11.2	9.6	6.0	4.4
Fund charges	3.5	3.0	2.1	1.3	1.2
Disbursements of medium- and long-term loans	90.6	73.2	53.4	93.6	96.2
Project loans	41.7	42.3	40.7	75.9	54.9
Program loans	21.0	22.4	12.8	9.2	32.8
Fund purchases/loans	8.5	8.5	--	8.5	8.5
Debt outstanding at end of year	1,595.6	1,580.2	1,569.8	1,552.2	1,562.0
Medium- and long-term loans	1,410.9	1,392.1	1,397.2	1,385.3	1,429.0
Fund credit and loans outstanding	52.3	49.2	39.5	42.0	46.1
Short-term credit <sup>2/</sup>	132.4	138.9	133.1	124.9	86.9
	(As percentage of exports of goods and services)				
Total debt service (before relief) <sup>1/</sup>	37.2	35.4	34.7	41.8	44.3
Interest and charges	13.0	13.1	12.6	14.6	15.0
Of which: Fund charges	0.9	0.9	0.6	0.4	0.4
Principal and repurchases	24.2	22.3	22.1	26.4	27.8
Of which: Fund repurchases	1.9	3.2	2.6	1.8	1.4
Total debt service (after debt relief)	28.2	31.2	34.7	40.7	30.4
	(As percent of GDP)				
Debt outstanding	172.4	191.6	179.0	183.6	230.1

Sources: Data provided by the Mauritanian authorities; World Bank Debt Reporting System, and Fund staff estimates.

<sup>1/</sup> Excluding debt cancellation in 1989.

<sup>2/</sup> Including overdue external liabilities of the banking system.

Table 57. Mauritania: Average Terms of Contracted Debt, 1989-93

(In percent, unless otherwise indicated)

	1989	1990	1991	1992	1993
<b>Total external debt</b>					
Interest rate	2.9	3.1	2.0	1.5	1.8
Maturity (years)	26.6	29.7	24.9	31.7	30.0
Grace period (years)	7.5	8.4	8.5	8.0	9.1
Grant element	53.4	56.1	60.2	66.9	65.0
<b>Multilateral loans</b>					
Interest rate	3.1	3.7	2.3	1.5	1.8
Maturity (years)	26.4	30.3	26.8	32.7	33.2
Grace period (years)	7.2	8.1	8.8	8.1	10.1
Grant element	51.9	52.3	59.5	67.9	66.8
<b>Bilateral loans</b>					
Interest rate	2.0	1.5	0.8	2.0	1.7
Maturity (years)	28.2	27.9	17.6	17.8	23.7
Grace period (years)	9.9	9.1	7.6	6.3	7.1
Grant element	64.5	67.1	62.7	53.0	61.5
<b>Memorandum item:</b>					
One-year US\$ London interbank offered rate (LIBOR)	9.3	8.5	6.3	4.2	3.6

Sources: World Bank Debt Reporting System; and IMF, International Financial Statistics.

Table 58. Mauritania: Medium- and Long-Term Debt  
by Creditor, 1989-93 <sup>1/</sup>

(In millions of SDRs; end of period)

	1989	1990	1991	1992	Est. 1993
Total external debt	1,463.2	1,441.3	1,436.7	1,399.6	1,473.1
Bilateral loans <sup>2/</sup>	988.0	949.9	944.9	837.4	880.7
Algeria	85.9	81.2	80.5	80.2	80.7
Austria	97.2	87.6	86.9	66.3	69.9
China, P.R.	67.8	63.4	61.0	59.6	56.8
France	114.6	116.1	119.0	78.5	83.8
Federal Republic of Germany	7.4	7.7	7.1	5.2	4.5
Japan	18.3	17.9	17.9	16.7	47.4
Netherlands	34.0	28.3	27.8	22.0	25.3
Saudi Arabia	146.8	136.9	135.7	135.4	133.5
Spain	27.1	24.0	23.0	23.1	28.3
United Arab Emirates	24.0	21.0	20.3	19.6	19.0
Others	365.0	365.9	365.7	330.8	331.5
Multilateral loans	475.2	491.4	491.8	562.2	592.4
African Development Bank	16.3	17.0	15.1	39.9	49.1
African Development Fund	41.9	49.8	59.7	76.4	80.1
AFESD <sup>3/</sup>	87.1	84.5	88.1	77.7	92.9
Arab Monetary Fund	25.0	10.2	10.2	35.7	25.3
European Investment Bank	22.9	22.1	18.6	59.3	57.4
IBRD	47.4	39.8	31.7	22.0	13.9
IDA	124.6	154.4	163.5	166.2	186.6
IMF <sup>4/</sup>	52.3	49.2	39.5	42.0	46.1
Islamic Development Bank	20.3	20.5	19.5	19.2	17.0
OPEC Special Fund	16.3	12.6	12.2	10.3	9.3
Others	21.1	31.1	33.7	13.3	14.7

Source: World Bank Debt Reporting System.

<sup>1/</sup> Debt outstanding and disbursed only.<sup>2/</sup> Includes suppliers' credits, loans from financial institutions, export credits, and bilateral loans.<sup>3/</sup> AFESD, Arab Fund for Economic and Social Development.<sup>4/</sup> Includes Trust Fund and use of Fund resources.

Table 59. Mauritania: Medium- and Long-Term Debt  
by Debtor, 1989-93

(In millions of SDRs)

	1989	1990	1991	1992	1993
Total external debt	1,463.2	1,441.3	1,436.7	1,399.6	1,473.1
Central Government	1,045.7	1,090.3	1,110.7	1,021.1	1,113.4
Central Bank	144.1	124.6	115.6	140.5	134.2
Development and primary banks	2.9	1.8	0.9	1.7	--
Public enterprises <sup>1/</sup>	270.5	224.6	209.6	236.4	225.6
AFARCO	2.2	2.1	2.1	1.9	1.9
Air Mauritania	3.6	3.0	2.9	2.7	--
ALMAP	11.5	10.9	10.8	10.7	10.7
OPT	8.4	5.1	4.8	5.1	3.7
SAMIA	0.3	0.3	0.3	0.3	--
SOCOGIM	0.2	0.2	0.2	--	--
SONELEC	44.5	36.2	35.2	42.8	37.3
Société Mauritanienne d'Armement et Pêche	2.6	2.8	2.8	2.6	--
SNIM	197.3	164.1	150.5	170.2	169.5
Other	--	--	--	--	2.4

Source: World Bank Debt Reporting System.

<sup>1/</sup> AFARCO, African-Arab Construction Company; ALMAP, Algéro-Mauritanienne de Pêche; OPT, Office des Postes et Télécommunications; SALIMAUREM, Société Arab-Libyo-Mauritanienne des Ressources Maritimes; SAMIA, Société Arabe des Industries Métallurgiques; SOCOGIM, Société de Construction et de Gestion Immobilière en Mauritanie; SONELEC, Société Nationale d'Eau et d'Electricité; SNIM, Société Nationale Industrielle et Minière.