

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

September 14, 1987

SECRETARY'S CIRCULAR NO. 87/101

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Report on the Seminar on Financial Analysis and Policy

There is attached for the information of the Executive Directors a report on the seminar on financial analysis and policy conducted in the Lao People's Democratic Republic from June 12 through 25, 1987.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

IMF INSTITUTE

Report on the Seminar on Financial Analysis and Policy

Vientiane, Lao People's Democratic Republic

June 12-25, 1987

The IMF Institute, in collaboration with the Asian Department, conducted a Seminar on Financial Analysis and Policy in the Lao People's Democratic Republic during June 12-25, 1987. The seminar was part of the Institute's external training program, which supplements the courses the Institute offers at Fund headquarters. The Ministry of Finance hosted the seminar.

The Fund team consisted of Messrs. Oumar Makalou (Head--INS), Willem Evers (ASD), and Naranhkiri Tith (INS). The IMF Institute, in consultation with the Asian Department, had sent to the authorities a suggested list of participants. The authorities were responsible for the final selection of participants. There were 27 participants, all of whom were government officials or representatives of state banks. The list of participants is shown in Attachment I.

The IMF Institute, also in consultation with the Asian Department, had proposed a list of topics for the seminar, which the authorities approved. The list is shown in Attachment II. The program included two lectures on the Fund; five workshops on financial analysis; two introductory lectures on financial programming; and a lecture on financial policy. The Fund staff delivered all the lectures and monitored all the workshops. Each workshop began with an introductory presentation. After the presentation, participants formed three working groups. The workshops concluded with reports from the groups and a general discussion.

The IMF Institute prepared the documentation for the seminar, and sent it to the Lao People's Democratic Republic in advance. Attachment III shows the list of documents.

IMF Institute  
September 1987

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Vientiane, Lao People's Democratic Republic

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List of Participants

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Name	Position and Affiliation
1. AMPHONE, Sivan (Mrs.)	Official Planning Department Ministry of Agriculture, Forestry, Irrigation, and Cooperatives
2. BOUNHONG	Chief Planning and External Relations Department State Bank
3. BOUNMALY	Chief External Relations Division State Planning Committee
4. BOUNPHENG	Deputy Chief Division of Loans and Grants External Finance Department Ministry of Finance
5. BOUNSAMACK	Official State Budget Department Ministry of Finance
6. CHANTHAVONGSA, Thiphakone (Mrs.)	Official Division of Loans and Grants External Finance Department Ministry of Finance

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Name	Position and Affiliation
7. DAOVONE	Director Accounting Department Ministry of Industry
8. KANEKEO	Chief Accounting Department Import-Export Corporation Ministry of Commerce
9. KHAMLA (Mrs.)	Deputy Chief Department of Finance Ministry of Commerce
10. LATHOULY, Pranom	Deputy Director Planning Department Ministry of Industry
11. MANOTHAM, Sounthone	Deputy Director Commerce Finance Department Ministry of Finance
12. NGEUANE, Kharh	Chief Planning and External Relations Division Ministry of Transport and Post
13. NHONG, Boun (Mrs.)	Official Finance Department State Planning Committee
14. PAKASITH, Bounto	Official Division of Loans and Grants External Finance Department Ministry of Finance
15. PATHAMMAVONG, Chanthao (Ms.)	Chief External Debt Division Banque du Commerce Extérieur Lao
16. PHANTHABOUN	Official Credit Department State Bank

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Name	Position and Affiliation
17. SANGVONE	Official External Finance Department Ministry of Finance
18. SAVENG	Deputy Director Accounting Department Ministry of Agriculture, Forestry, Irrigation, and Cooperatives
19. SENGDAO (Mrs.)	Official Planning and External Relations Department State Bank
20. SILA	Official External Relations Division State Planning Committee
21. SINGSOURIGNA, Khamsène	Chief Division of Loans and Grants External Finance Department Ministry of Finance
22. SISOUVANH	Chief Fuel Division State Fuel Company Ministry of Commerce
23. SISOUVANH	Official General Department State Planning Committee
24. SOMBOUNE	Official Commerce Finance Department Ministry of Finance
25. SOMPHENG (Mrs.)	Official Planning and External Relations Department State Bank

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Name	Position and Affiliation
26. SOUPHATH	Chief Credit Division State Bank
27. VOLARATH, Holady	Deputy Director External Finance Department Ministry of Finance

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List of Topics

I. The International Monetary Fund

1. Organization, Role, and Activities of the Fund

(Overview of the structure of the Fund. Overview of the Fund's financial and regulatory roles. Overview of major activities of the Fund, including operational work, research, statistical compilation, technical assistance, and training.)

2. The Fund and Laos

(Overview of the operational work of the Fund with relation to Laos. Discussion session on specific issues of interest to participants.)

II. Financial Analysis

1. The Domestic Economy

(The national accounts, price, and wage statistics. Determinants of output, income, expenditure, prices, and wages.)

2. The Financial Sector

(Monetary and interest rate statistics. Determinants of money and interest rates. The role of money, credit, and interest rates in the economy.)

3. The Public Sector

(Government finance statistics. Interpretation of the current and overall balances. The role of government taxes, expenditure, and financing in the economy.)

4. The External Sector

(Balance of payments statistics. Interpretation of the current account and of the overall balance. Determinant of exports, imports, and capital flows. The role of international reserves and external debt in the economy.)

5. Putting It All Together

(Writing a report on Recent Economic Developments. Relationships among the accounts and among the sectors: the statistical and the behavioral dimensions. Focusing on the main story.)

III. Financial Programming

1. Introduction to Concepts and Techniques

(Targets and instruments. Sketch of forecasting techniques by economic sector.)

2. Financial Programming in a Centrally Planned Economy

(Discussion of characteristics of a planned economy. Examination of causes and consequences of economic imbalances. Comparison of the adjustment process in planned and market economies.)

IV. Financial Policy

(Discussion of key financial policy instruments at the macro-economic level. Monetary and fiscal policy. Interest rate and exchange rate policy. Pricing policy. Application to the case of Laos. Review of policy developments in recent years, and analysis of their effect on the economy.)

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Seminar on Financial Analysis and Policy

Vientiane, Lao People's Democratic Republic

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List of Documents 1/

INS/87-Laos/I-1	Organizational Aspects of the Fund
INS/87-Laos/I-2	The Fund's Code of Conduct
INS/87-Laos/I-3	Origins and Uses of Fund Resources
INS/87-Laos/I-4	The International Monetary Fund and Laos (Outline)
INS/87-Laos/II-1	National Income and Product Accounts (with Annex: National Accounts of the Lao People's Democratic Republic: Net Material Product and GDP)
INS/87-Laos/II-2	Output and Expenditure
Supplement 1	Components of Overall Demand
Supplement 2	Overall Supply and Determination of the Equilibrium Income Level
INS/87-Laos/II-3	Price Indices
Supplement	Determination of the General Price Level and the Causes of Inflation
INS/87-Laos/II-4	Monetary and Financial Survey
Supplement 1	Demand for Money, Interest Rates, National Income, and Credit
Supplement 2	The Supply of Money
INS/87-Laos/II-5	Government Finance Statistics and Budgetary Analysis
Supplement	The Budget and Government Finance: Measuring its Impact
INS/87-Laos/II-6	Balance of Payments, Foreign Trade, and Capital Movements
Supplement 1	Theories of the Adjustment Process in the Balance of Payments
Supplement 2	Balance of Payments Statistics
Supplement 3	Capacity for Indebtedness and External Debt Management
Supplement 4	Nominal and Effective Exchange Rates
INS/87-Laos/II-7	Interrelationships of the Macroeconomic Accounts

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1/ In French.

INS/87-Laos/III-1	Designing a Financial Program for a Market Economy
Supplement	Financial Programming - A Presentation of Practical Cases
INS/87-Laos/III-2	Financial Programming in a Planned Economy: A Presentation Plan (Outline)
Supplement 1	Budgetary Development in Five Centrally Planned Economies and Related Questions (DM/83/72, October 13, 1983)
Supplement 2	Prices, Exchange Rates, and Adjustment in Centrally Planned Economies (DM/82/34, May 19, 1982)
INS/87-Laos/IV	Questions Related to the Economic and Financial Policies of Laos