INTERNATIONAL MONETARY FUND

Staff Country Reports

June 1996

IMF Staff Country Report No. 96/58

Dominican Republic—Recent Economic Developments

This report on recent economic developments in the Dominican Republic was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of the Dominican Republic or the Executive Board of the IMF.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
700 19th Street, N.W. • Washington, D.C. 20431

Telephone: (202) 623-7430 • Telefax: (202) 623-7201

Telex (RCA): 248331 IMF UR

Internet: publications@imf.org

Price: \$15.00 a copy

International Monetary Fund
Washington, D.C.

This page intentionally left blank

INTERNATIONAL MONETARY FUND

DOMINICAN REPUBLIC

Recent Economic Developments

Prepared by a staff mission consisting of
Mr. Leone (Head), Mr. Dunn, Ms. Guin-Siu, Mr. Incer,
and Ms. Quintero (all WHD)

Approved by the Western Hemisphere Department

April 26, 1996

	<u>Contents</u>	<u>Page</u>
Basic Data		v-vi
I.	Recent Economic Developments	1
1.	Background	1
2.	Recent developments	2
a.	The real sector	2
b.	Public finances	3
3.	The monetary sector	5
4.	The external sector	6
II.	The Sugar Industry: An Overview	9
1.	The structure of the industry	10
a.	Background	10
b.	Producers and markets	10
2.	Factors behind CEA's decline	11
a.	Problems in production and transport	12
b.	Management practices	12
c.	The allocation of CEA's earnings	12
d.	Labor policies	13
e.	The colonos problems	13
f.	CEA's financial crisis	13
3.	The U.S. sugar quota system and its implications	14
4.	Concluding remarks	14
III.	Pricing and Taxation of Oil Derivatives	15
1.	Imports, refining, and commercialization of oil derivatives	15
a.	Imports and refining	15
b.	Commercialization	16
2.	Pricing and taxation of oil derivatives	17
3.	Effects on the public finances	18
4.	Concluding remarks	18

	<u>Contents</u>	<u>Page</u>
IV.	Monetary Policy Instruments	19
1.	Legal reserve requirements	19
a.	Commercial and multiservice banks	20
b.	Other financial institutions	20
2.	Central bank certificates of participation	21
3.	Advances and rediscount operations	22
V.	Development of the Tourism Industry	22
1.	Background	23
2.	The major projects	23
3.	Tourist inflows	25
4.	Main benefits and costs	26
5.	Concluding remarks	27
Text tables		
1.	Macroeconomic Flows	28
2.	Sectoral Origin of GDP at Constant Prices	29
3.	Output of Selected Products	30
4.	Free Trade Zones Statistics	31
5.	Production and Sales of Electricity	32
6.	Savings and Investment	33
7.	Changes in Selected Price and Wage Indices	34
8.	Monthly Changes in the Consumer Price Index	35
9.	Trends in Minimum Wages	36
10.	Labor Force by Sector of Economic Activity	37
11.	Operations of the Public Sector	38
12.	Summary Operations of the Central Government	39
13.	Operations of the Public Enterprises	40
14.	Private Sector Claims on the Financial System	43
15.	Changes in Financial System Credit by Origin, Destination, and Financing	44
16.	Nominal Interest Rates of Commercial Banks	45
17.	Summary Balance of Payments	46
18.	Exports by Principal Commodity Groups	47
19.	Imports, f.o.b.	49
20.	Net International Reserves	50
21.	Exchange Rates	51
22.	External Debt and Official Reserve Liabilities	52
23.	External Payments Arrears	53
24.	Sugar Statistics	54
25.	Production of Raw Sugar by the State Sugar Council (CEA)	55
26.	Sugarcane Milled and Production of Raw Sugar by Companies	56
27.	Distribution of Profits of CEA	57
28.	CEA's Cost of Production of Raw Sugar	58
29.	Allocation Under the U.S. Quota System	59
30.	Oil Imports by Products and Importers	60

Contents

Page

Text Tables (Continued)

31.	Sales of Oil Derivatives by REFIDOMSA	61
32.	Prices of Oil Derivatives at the Pump, 1981-95	62
33.	Taxation of Oil Derivatives	63
34.	Parameters of the Oil Price Differential	64
35.	The Taxation of Oil Products and the Public Finance	65
36.	Monetary Instruments	66
37.	Reserve Requirements of Financial Institutions	67
38.	Legal Reserves of the Commercial Banks	68
39.	Central Bank Certificates of Participation	70
40.	Interest Rates for Advances and Rediscounts	71
41.	Participation of Lenders and Equity Investors in Playa Dorada Accommodation Projects	72
42.	Hotel Capacity in Selected Years	73
43.	Airport Arrivals of Foreign Visitors in Selected Years	74

Appendices

I.	Major Fiscal Measures, January-December 1995	75
II.	Major Changes in Financial Sector Policies, January-December 1995	76
III.	Major Changes in the Exchange and Trade System, January-December 1995	78

Statistical Appendix Tables

44.	Gross Domestic Expenditure at Current Prices	79
45.	Gross Domestic Expenditure at Constant Prices	80
46.	Sectoral Origin of GDP at Current Prices	81
47.	Petroleum Statistics	82
48.	Consumer Price Index	83
49.	Average Selling Price of Electricity	84
50.	Retail Prices of Selected Petroleum Products	85
51.	Operations of the General Government	86
52.	Central Government Revenue	89
53.	Central Government Expenditure	90
54.	Central Government Transfers	91
55.	Consolidated Accounts of the Financial System	92
56.	Stock of Financial System Credit by Origin, Destination, and Financing	93
57.	Summary Accounts of the Banking System	94
58.	Summary Accounts of the Nonbank Financial Institutions	98
59.	Stocks of Commercial Bank Credit to the Private Sector by Economic Activity	100
60.	Financial Indicators	101
61.	Balance of Payments	103
62.	Exports by Destination	104
63.	Imports of Petroleum and Derivatives	105

	<u>Contents</u>	<u>Page</u>
Statistical Appendix Tables (Continued)		
64.	Public Sector External Debt by Creditor	106
65.	Summary of External Debt	107
66.	Real Effective Exchange Rates and Related Series	108
67.	Selected Social Indicators of Development, 1988-93	109

DOMINICAN REPUBLIC

Social and demographic indicators

Area	48,730 square kilometers
Population (1993)	7.5 million
Annual rate of population growth (1988-93)	2.1 percent
Crude birth rate (1992)	27.4 per thousand
Crude death rate (1992)	6.2 per thousand
Infant mortality (1993)	40.4 per thousand
Life expectancy at birth (1993)	70 years
Energy consumption per capita	347 kg. of oil equivalent
Population per physician (1993)	1,765
Access to safe water (percent of population) (1993)	62.4
Enrollment rates (1993)	
Primary	95 percent
Secondary	51 percent
Illiteracy rate	17 percent
Daily calories per capita (1991)	2,359
Daily intake of protein (in grams) (1991)	48

GDP (1995)

RDS160.5 billion
US\$12.0 billion

GDP per capita (1995)

US\$1,530.6

	<u>1991</u>	<u>1992</u>	<u>1993</u> (In percent)	<u>1994</u>	<u>Prel.</u> <u>1995</u>
<u>Origin of GDP</u>					
Agriculture, fishing, mining	16.9	15.9	14.8	15.1	15.4
Manufacturing	18.3	18.9	18.8	18.5	17.5
Construction	7.5	8.6	9.2	9.4	9.5
Trade	12.4	12.3	12.0	11.7	12.1
Transport	6.4	6.7	6.8	6.7	6.8
Financial services	5.9	5.5	5.3	5.1	4.9
Housing	6.1	5.7	5.5	5.4	5.2
Government services	9.4	8.9	8.9	8.8	8.5
Other 1/	17.2	17.4	18.6	19.2	20.0
<u>Ratios to GDP</u>					
Exports of goods and nonfactor services	25.6	23.6	24.8	25.9	27.4
Imports of goods and nonfactor services	-27.8	-29.4	-26.6	-29.0	-27.2
Current account of the balance of payments	-1.4	-5.4	-0.9	-1.4	1.4
Public sector revenue	14.8	16.2	16.8	16.1	16.8
Public sector expenditure 2/	16.5	16.9	18.8	19.3	16.3
Public sector current account balance	6.1	7.9	7.7	6.5	6.7
Public sector overall balance 3/	0.1	1.3	-0.3	-3.0	-0.1
Gross national saving	18.9	14.9	21.0	21.3	25.7
Gross domestic investment	20.3	20.3	22.0	22.7	24.2
Money and quasi-money 4/	25.0	27.9	31.0	31.0	30.7
External debt (end of period)	60.3	49.1	46.8	36.7	33.2
External public debt service ratio 5/	26.2	20.1	16.8	12.7	13.0
Of which: interest payments 5/	12.9	10.0	7.2	5.1	6.1
<u>Annual percentage change</u>					
Real GDP per capita	-1.4	5.5	--	2.2	2.6
Real GDP	1.0	8.0	3.0	4.3	4.8
GDP at current prices	59.7	17.0	8.1	11.8	17.8
Domestic expenditure (at current prices)	57.6	21.2	3.9	13.2	14.1
Investment	21.5	16.9	16.8	15.4	26.0
Consumption	70.2	22.3	0.9	12.6	10.7
GDP deflator	58.2	8.3	4.9	7.2	12.4
Consumer prices (annual average)	47.1	4.3	5.2	8.3	12.5
Consumer prices (end of period)	7.9	5.2	2.8	14.3	9.2
Public sector revenue	79.0	28.6	11.8	7.1	23.1
Public sector expenditure 2/	58.9	19.9	20.4	14.9	-0.8
Money and quasi-money	35.3	26.5	26.5	8.7	18.8
Money	13.3	7.0	10.4	0.9	9.1
Quasi-money	21.9	19.6	16.1	7.7	9.7
Domestic credit (net) 6/	13.2	12.1	8.8	23.1	19.5
Credit to the public sector	-10.2	-8.4	-0.3	9.5	0.3
Credit to the private sector	15.3	18.6	10.1	10.4	12.2
Merchandise exports (f.o.b. in US\$)	-10.4	-14.6	-9.2	26.1	15.3
Merchandise imports (f.o.b. in US\$)	-3.6	25.8	-2.6	22.4	4.4

	1991	1992	1993 (In percent)	1994	Prel. 1995
Nominal effective exchange rate (depreciation -), end of period	-23.2	11.8	18.0	16.3	-3.2
Nominal effective exchange rate (depreciation -), average	2.3	15.9	20.0	5.2	-1.5
Real effective exchange rate (depreciation -), end of period	1.3	0.1	4.0	2.8	1.6
Real effective exchange rate (depreciation -), average	-3.1	4.2	2.0	3.7	4.3
<u>Interest rates (end of period)</u>					
Lending 7/	35.9	29.3	26.7	30.2	30.0
Saving 8/	18.5	17.0	8.3	18.0	13.1
<u>Public sector finances</u> (In millions of Dominican pesos)					
Total revenue	14,217	18,284	20,439	21,884	26,930
Total expenditure 2/	15,869	19,035	22,911	26,318	26,109
Public sector savings (-)	5,876	8,875	9,384	8,885	10,718
Overall balance 3/	92	1,504	-357	-4,148	-233
<u>Balance of payments</u> (In millions of U.S. dollars)					
Merchandise exports (f.o.b.)	658	563	511	644	743
Merchandise imports (f.o.b.)	-1,729	-2,175	-2,118	-2,593	-2,707
Interest payments	-295	-246	-200	-165	-228
Tourism	858	1,029	1,239	1,428	1,638
Other services and transfers (net)	402	340	479	542	727
Current account	-106	-489	-89	-144	173
Official capital (net)	-134	-124	-67	-86	-18
Private capital (net) 2/	292	532	220	-150	-38
Overall balance	41	-92	23	-341	111
Change in net international reserves increase (-)	-380	-124	-132	470	-119
Arrears (excluding reserve liabilities)	-663	-29	-3	55	1
Debt relief	974	242	111	...	11
Debt buyback	...	...	...	-172	...
<u>International reserve position</u> (In millions of U.S. dollars, end of period)					
Gross official reserves	426	490	646	259	372
Net official reserves	183	306	438	-32	87
Rest of the banking system (net)	66	76	117	78	85
Gross reserves in months of imports	3.0	2.7	3.7	1.2	1.7
Stock of external debt (end of period) 10/	4,611	4,413	4,559	3,918	3,992
<u>IMF data (as of March 31, 1996)</u>					
Article VIII status					
Intervention currency and rate (midpoint)				US\$ at RD\$ 12.97	
Quota				SDR 158.80 million	
Fund holdings of Dominican pesos				SDR 235.98 million	
As percent of quota				161.20	
Total Fund credit				SDR 97.18 million	
Credit tranche purchases (including SBA)				SDR 51.37 million	
EFF purchases					
CFF purchases				SDR 45.81 million	
Special Drawing Rights Department					
Cumulative SDR allocation				SDR 31.59 million	
Net acquisition or utilization of SDRs				SDR 30.4 million	
Holdings of SDRs				SDR 1.17	
Share of profits from gold				US\$6.82 million	
Gold distribution (fine ounces)				36,879,979	

1/ Includes electricity and water, hotels and restaurants, and communications.

2/ On accrual basis; includes interest payments on the Central Bank's medium- and long-term debt.

3/ Refers to the consolidated and nonconsolidated public sector (including the operating losses of the Central Bank) after foreign official grants.

4/ The numerator is the average stock of M3 (liabilities to the private sector net of private capital and reserves) of two consecutive years.

5/ In percent of exports, nonfactor services, and private transfers.

6/ Changes in relation to the liabilities of the private sector at the beginning of the period.

7/ Interest on commercial bank loans with up to 180 days maturity.

8/ Interest on certificates of deposits with up to 180 days maturity.

9/ Includes errors and omissions.

10/ Refers to the medium- and long-term debt of the public sector, including Fund credit.

I. Recent Economic Developments

1. Background

The Dominican Republic experienced important external and domestic imbalances during most of the 1980s. In 1990, the authorities began implementing a program of stabilization and structural reform that, in a relatively short time, brought inflation under control, permitted a resumption of growth, and made progress toward a more outward-oriented economy with greater participation of the private sector.

The program launched in 1990 included tight fiscal and monetary policies. The overall position of the nonfinancial public sector moved from a deficit of 5 percent of GDP in 1990 to an average annual surplus of around 0.4 percent of GDP during 1991-93 (Table 1). The public sector accumulated important deposits in the banking system particularly during 1991 and 1992 (while in 1990 the public sector domestic borrowing requirement reached around 1.4 percent of GDP). On average, the net domestic assets (NDA) of the Central Bank contracted by more than 1.5 percent of GDP annually during 1991-93, compared to an expansion of 0.6 percent of GDP in 1990. While net international reserves (NIR) increased by an average of over US\$200 million (2.5 percent of GDP) per year during 1991-93.

From 1990 through 1993, the authorities adopted also a comprehensive program of structural reforms (including trade and tax reforms), unified the exchange rate system under a freely floating market-determined exchange rate, eliminated most price controls, removed ceilings on interest rates, lowered and simplified banks' reserve requirements, and eliminated the compulsory allocation of bank credit. Relations with most external creditors were normalized (including, the clearance of outstanding arrears to multilaterals, and the restructuring of debt to Paris Club and commercial banks creditors). More recently, major reforms were introduced in banking supervision and regulation, and the Dominican Republic endorsed the Uruguay Round Agreement. From August 1991, this program was supported by a 19-month stand-by arrangement from the Fund. In July 1993, the Executive Board approved a nine-month successor stand-by arrangement.

The sound macroeconomic policies and the comprehensive structural reforms resulted in a resumption of growth, a reduction in inflation, and a strengthening of the external position. After declining by about 6 percent in 1990, real GDP grew at an average rate of 4 percent during 1991-93. The annual average inflation rate was brought down from over 50 percent in 1990 to around 5 percent in 1993. The overall balance of payments moved from a deficit of around 8 percent in 1990, to virtual balance--on average--during 1991-93. Gross official reserves increased from the equivalent of less than one month of imports in 1990 to about four months of imports in 1993.

2. Recent developments

a. The real sector

The economy continued to show several dualities. Growth in free trade zones and the services linked to tourism continued to be strong while growth in nontradable manufactures and services continued to depend upon expansive fiscal and credit policies (which have proved to be unsustainable after a short while). Growth in private, export oriented, agricultural, and mining activities continued to depend on weather conditions and international prices, while growth in government-managed agricultural and mining activities was linked to the performance of the state-owned sugar company (CEA) and Rosario Dominicana (the state-owned gold mine). The energy crisis (resulting from mounting problems at the state-owned electricity company--CDE) resulted in recurrent blackouts and expensive energy inputs placing a heavy burden on the private sector and adversely affecting the productivity and competitiveness of the economy. A weakening of financial policies in 1994 led to higher inflation. Recent wage increases had adverse effects on the country's external competitiveness.

After slowing down to 3 percent in 1993, real GDP growth recovered to an average of 4.5 percent in 1994-95 (Table 2).

Agricultural activity, which accounts for about 12 percent of GDP and about 40 percent of the country's exports, was adversely affected by a severe drought during 1993-94. Sugarcane, tobacco, and rice crops were the most affected by the drought (Table 3). In 1995, agricultural production surged reflecting favorable climatic conditions and the rehabilitation of coffee and cocoa crops in response to large increases in world prices. However, sugarcane production continued to decline. After six years of steady decline, mining output increased by almost 90 percent in 1994. The rehabilitation of the Rosario Dominicana mine (which was closed since 1993) led to a significant increase in the production of gold and silver. There was also a large increase in ferronickel output after rehabilitation works were completed in Falconbridge Dominicana (a foreign mining company).

Growth in manufacturing (which accounts for about 18 percent of GDP) declined from about 10 percent in 1992 to an average of 3.5 percent in 1993-94. Manufacturing output fell by more than 1 percent in 1995. There was a slowdown in nontradable sectors (mainly, industries producing for the domestic market) and a decline in sugar refining (due to mounting financial and technological problems in the CEA). Export-oriented industries, mainly light assembly operations located in free trade zones continued to show strong growth (Table 4). Growth in construction (which accounts for about 9 percent of GDP) slowed down in 1993-94 but remained strong helped by investment in tourism and the acceleration of public works in the run-up to the 1994 Presidential elections. Construction slowed down further in 1995 due to a substantial reduction in public sector projects. The technical and financial problems experienced by the CDE led to a negative trend in the energy sector with a severe rationing of electricity in 1995 (Table 5).

Growth in services (which accounts for about 55 percent of GDP) continued to be led by sectors related to the tourism activity (mainly, hotels and restaurants) and by a strong expansion in communications. In general, growth in nontraded services (such as wholesale and retail commerce) slowed down in 1993 and recovered somewhat in 1994 and 1995.

On the demand side, investment has lingered at about 23 percent of GDP during 1993-95 (Table 6). Private investment declined from 14.5 percent of GDP in 1992 to 12.8 percent in 1994 amid political and economic policy uncertainty, but public investment growth offset the decline in private investment. In 1995, in the context of a renewed fiscal adjustment, public investment declined by about 2.5 percentage points of GDP and there was a large increase in private investment (mainly, construction in resort areas, expansion of the communications sector, and private investment in the generation of electricity). In relation to GDP, private saving declined steadily from about 20 percent in 1990 to about 6 percent in 1992, but recovered to more normal levels lately, reaching 18 percent of GDP in 1995.

The 12-month rate of inflation increased from less than 3 percent at the end of 1993 to more than 14 percent at the end of 1994 in the context of weak fiscal and monetary policies and political uncertainty in the run-up to the Presidential elections. With the tightening of financial policies beginning in September 1994, the 12-month rate of inflation was brought down to around 9 percent at the end of 1995 (Tables 7 and 8).

Wages are negotiated freely in the Dominican Republic. Public sector wages are set by the Executive Branch while minimum wages for the private sector are set by the National Salary Commission (where the workers, the entrepreneurs, and the Government are represented). In general, under current labor practices the setting of wages in the private sector follow developments in minimum wages. In 1993, minimum wages in the private sector were increased by 15 percent. In 1994, minimum wages in the free trade zones were increased by 10 percent. In May 1995, the Government increased minimum wages in the public sector by 30 percent. Public sector employees earning salaries higher than the minimum wage were granted a raise of 20 percent. At the same time, the National Salary Commission granted a 20 percent increase in the minimum wages in the private sector (including the free trade zones). These increases in minimum wages affected developments in the setting of other salaries in the economy and had an adverse effect on the current account balance of the public sector and on the external competitiveness of the economy. In particular, increases in minimum wages in the free trade zones expressed in terms of U.S. dollars averaged 11 percent per year during 1994-95 (Table 9). Open unemployment declined from an average of 8.2 percent during 1991-93 to an average of 6.5 percent during 1994-95 (Table 10).

b. Public finances

The intensity of capital expenditure has been a major factor behind the overall fiscal stance. The current account of the Central Government

improved significantly in the early 1990s with the implementation of a comprehensive tax and tariff reform, which included improvements in the value-added tax, and the introduction of the oil tax differential and transitory import surcharges. However, it has deteriorated somewhat in recent years: in general, the reduced reliance on international trade revenue was not offset by increasing revenue from the value-added tax (which has stabilized around 2.5 percent of GDP) and from the oil tax differential which, due to the lack of adjustment in the domestic prices of oil derivatives, has been affected by changes in the exchange rate and the international price of oil. In this context, there has been a tendency to rely more on extraordinary excise taxes. The public enterprises have continued to show large overall deficits in recent years and have required significant government transfers to keep working.

The overall fiscal position deteriorated steadily from a surplus of 1.3 percent of GDP in 1992 to a deficit of 3 percent of GDP in 1994 (Table 11). The current account balance of the nonfinancial public sector declined to 6.5 percent of GDP in 1994 from about 8 percent of GDP in 1992. Revenue from taxes on international trade declined to 4.5 percent of GDP in 1994 from 5.5 percent of GDP in 1993, mainly because of the gradual reduction of an import tariff surcharge and a very lax administration in the customs office in 1994 (Table 12). Public investment accelerated as high visibility projects (such as road works, aqueducts, and housing programs) were completed in the run-up to the elections.

In 1995, the overall fiscal position moved back to virtual balance. The current account balance of the public sector improved only slightly but there was a substantial reduction in domestically financed capital expenditure. Current revenue increased due to the increase in excise taxes on certain goods and services and an extraordinary levy on a telecommunications company. However, this increased revenue was almost completely offset by the impact of the wage increases (granted in May 1995), and a decline in revenue from international trade and the oil differential ^{1/} in relation to GDP. The loss in oil tax revenue resulted from the failure to adjust domestic prices of oil derivatives to offset the impact of the devaluation of the official exchange rate in September 1994, and the rise in international oil prices during 1995.

In recent years, the public enterprises operating revenue has been usually insufficient to cover current expenditure (Table 13). In this context, they have shown large overall deficits (which reached 2.6 percent of GDP in 1992) and have depended upon significant government transfers to operate. The finances of the public enterprises weakened further during 1993 and 1994 (with their overall deficit net of government transfers reaching 3.3 percent of GDP in 1994), largely because of increased generation costs of the electricity company during the 1993-94 drought, and

^{1/} Defined as the difference between the ex-refinery cost of the oil derivatives and the prices at the pump set by the Government.

expenses incurred in the rehabilitation of the state-owned gold mine. There was also a weakening in the collection of tariffs by the public enterprises (particularly of electricity tariffs). The public enterprises (mainly CDE and CEA) continued to incur large deficits in 1995.

For a long time, the Central Bank has been assigned with quasi-fiscal operations (including, the intermediation of foreign loans to finance priority activities and sectors, the servicing of debt on behalf of the Government, the financing of certain public enterprises, and the payments to depositors of institutions being liquidated). As a result, income from the Central Bank's foreign and domestic assets and from the foreign exchange commission is insufficient to meet the interest obligations on the Central Bank's external and domestic debt, and the operating outlays. The quasi-fiscal losses of the Central Bank are estimated at 0.5 percent of GDP in 1995.

3. The monetary sector

The financial reforms implemented since 1990 contributed to a deepening of the Dominican Republic's financial sector. The domestic borrowing requirements of the nonfinancial public sector affected the availability of financial system credit to the private sector. Since 1991, deposit and lending interest rates became freely determined. In recent years, the placement of central bank certificates has become an important instrument of monetary policy, and banking supervision and prudential regulation were significantly modernized.

The financial system liabilities to the private sector increased from 28 percent of GDP in 1991 to over 34 percent during 1993-95 (Table 14). The 12-month rate of growth of broad money (money and quasi-money) slowed down from 36 percent in 1991 to 14 percent in 1993 but remained positive in real terms. Broad money growth slowed down further to 10 percent in 1994 and turned negative by more than 4 percent in real terms against a background of weakening fiscal and monetary policies and political uncertainty during the electoral process. The restoration of macroeconomic stability in 1995 resulted in improved confidence and an increase of about 13 percent in real terms in broad money growth.

In the context of the strong fiscal stance of the early 1990s, the growth rate of the NDA (in relation to the liabilities to the private sector at the beginning of the period) decelerated steadily from about 30 percent in 1990 to about 9 percent in 1993 (Table 15). With the weakening of fiscal and monetary policies, NDA grew by 23 percent in 1994. With the tightening of fiscal and monetary policies starting in late 1994, NDA growth decelerated to 19 percent in 1995. There was a large expansion in credit to the private sector in 1992. This was facilitated by the strong fiscal adjustment that reduced the borrowing requirements of the public sector and permitted the accumulation of significant government deposits in the banking system, the remonetization of the economy against a background of declining inflation, and the onlending to the private sector of government deposits by

the Reserves Bank. The weakening of fiscal policies, together with a fall in the demand for financial assets (in the context of political uncertainty surrounding the electoral process), contributed to a slowdown in credit to the private sector during 1993-94. Growth in credit to the private sector recovered somewhat in 1995.

On average, the annual nominal interest rate on 90-day commercial banks certificates of deposit has declined from about 17 percent in late 1992 to 12 percent in early 1994 and has increased steadily thereafter to about 17 percent in early 1995. Nominal interest rates have declined to around 14 percent in late 1995 reflecting lower inflationary expectations in the context of a tightening of financial policies. Financial spreads have remained at about 13 to 14 percentage points (Table 16). Ex-post real rates on 90-day certificates of deposit declined steadily from about 25 percent in early 1993 to about 9 percent late that year in the context of weakening fiscal and monetary policies in the run-up to the 1994 Presidential elections. In 1994 they became negative and promoted large capital outflows. The tightening of financial policies in late 1994 brought them back to positive levels in 1995. Late in 1995, ex-post real rates were about 14 percent.

The outstanding stock of central bank certificates that averaged about RD\$525 million (or less than 0.5 percent of GDP) during 1991-94, increased to RD\$2 billion (1.3 percent of GDP) by end-1995. In 1993, the authorities authorized the operation of multiservice banks (a departure from the country's traditional specialized banking), and introduced a new framework for prudential regulation and banking supervision. During the last couple of years, new rules for the assessment of the largest debtors, the classification of financial institutions loans according to quality, and the constitution of appropriate capital and provisioning were enforced. 1/

4. The external sector

The Dominican Republic's external position was also affected by the stance of fiscal and monetary policies. A trade balance deficit has persisted for many years in conjunction with a growing surplus in the balance of net services and transfers led by solid growth in tourism and free trade zone receipts, and a fairly steady flow of private transfers. In recent years, the capital account has shown two distinctive characteristics: a steady though declining net repayment of official capital, and private flows basically governed by the stance of credibility on financial policies and political uncertainty associated with several electoral processes. A dual exchange rate system has given rise to a multiple currency practice since 1994. Various rescheduling and refinancing agreements and a steady net repayment of official debt has resulted in a significant decline of the public external debt in relation to GDP.

1/ Recent reforms in banking supervision and regulation were described in SM/95/129.

The external current account deficit which had declined to 1.4 percent of GDP in 1991 broadened in 1992 to 5.4 percent of GDP in the context of expansive credit policies (Table 17). In 1993, the external deficit was contained to about 1 percent of GDP but increased to 1.4 percent of GDP in 1994 against the background of weak fiscal and monetary policies. With the tightening of financial policies that started in September 1994, the current account balance shifted to a surplus of 1.4 percent of GDP in 1995 (the first surplus in the last three decades).

The trade balance deficit averaged 17 percent of GDP during 1990-95. Exports have been linked to output performance of agricultural (mainly sugar and coffee) and mining (mainly ferronickel, gold, and silver) products, to the international prices of these products, and to the external demand (in the case of sugar also to the size of a preferential quota in the U.S. market). A ten-year low of US\$511 million in exports (about 5 percent of GDP) was reached in 1993 at a particularly unfavorable conjuncture of international prices for the country's main export products (Table 18). Exports recovered somewhat to about US\$645 million in 1994 and further to US\$745 million in 1995, largely due to improved international prices for ferronickel, sugar, and coffee. However, most export volumes are still down from their previous highs, especially sugar, which has suffered from the operating and financial problems of CEA. Gold and silver exports volumes have recovered somewhat, after a labor dispute and some rehabilitation works had virtually shut down production for much of 1993 and 1994 in the state-owned mining company (Rosario Dominicana). Notwithstanding recent improvements, exports are still less than half their levels in the mid-1980s. Imports have normally remained below 23 percent of GDP (with imports of petroleum and derivatives representing about one fourth of total imports) (Table 19). Imports surged in 1992 and again in 1994 to over 24 percent of GDP in the context of weak credit policies.

The balance of services and net transfers have improved significantly in recent years. In 1995, foreign exchange earnings from tourism were almost two times those of 1990, amounting to US\$1.6 billion (more than 14 percent of GDP). Also in 1995, free trade zones receipts amounted to US\$500 million (4 percent of GDP) compared to US\$196 million (3 percent of GDP) in 1990. Private transfers (mainly remittances of Dominicans residing abroad) have represented about 4 percent of GDP per year during 1990-95.

Regarding the capital account, net official capital outflows declined to about US\$20 million in 1995, from over US\$300 million in 1991, as official disbursements picked up. With the implementation of the adjustment and structural reform program in the early 1990s, capital inflows (including direct investment) increased substantially reaching a peak of around US\$530 million in 1992. The political turmoil and the weakening of financial policies during late 1993 and most of 1994 contributed to a reversal of the private capital inflows; an outflow of about US\$150 million took place in 1994. With the tightening of policies, the outflows of private capital declined to about US\$40 million in 1995.

During 1990-93, in the context of the comprehensive program of adjustment and structural reform, there was a significant accumulation of official NIR totalling about US\$640 million (Table 20). About US\$470 million were lost in 1994 due to the weakening of financial policies during the run-up to the elections ^{1/} and an up-front cash payment in connection with the external debt agreement with commercial banks. With the tightening of policies starting in September 1994, official NIR increased by US\$50 million during the last quarter of 1994 and by US\$120 million in 1995. Gross official reserves increased from about half a month of imports in 1990 to about four months of imports at end-1993 but declined to about one month of imports at end-1994. At the end of 1995, they recovered to close to two months of imports.

Following the unification of the exchange system on July 1, 1991 and in the context of large capital inflows, the exchange rate remained fairly stable at around RD\$12.65 per U.S. dollar (midpoint) until end-1993 (Table 21). During the first nine months of 1994, in the context of political uncertainty and weak financial policies and notwithstanding heavy intervention by the Central Bank to support the peso, the rate in the inter-bank market depreciated and a widening spread emerged between this rate and the official rate that was kept fixed. This dual exchange market gave rise to a multiple currency practice with traditional exports, credit cards and telephone service proceeds, government foreign debt operations, and oil import requirements channeled through the official market.

During 1995, the spread between the official and the inter-bank rates widened from 1.7 percent in January to about 6.5 percent in August and declined thereafter to around 2.5 percent in December. After depreciating by more than 14 percent from end-1988 to mid-1991, the peso appreciated by less than 2 percent in real effective terms during July 1991-December 1993. The appreciation was larger during 1994 and 1995 averaging around 4 percent per year.

As a share of GDP, the stock of public external debt (including the central bank reserves liabilities) has fallen steadily from about more than two thirds of GDP in 1990 to about one third of GDP in 1995 (Table 22). In recent years, the Dominican Republic reached various rescheduling and refinancing agreements (that included debt buybacks at considerable discounts) and there was also a steady net repayment of official debt. In this context, interest payments due (in relation to exports of goods and nonfactor services, plus net private transfers) have also fallen substantially from about 30 percent in 1990 to about 13 percent in 1995.

^{1/} During this period, the flexible exchange rate arrangement was abandoned and the Central Bank intervened heavily to support the peso. During 1994, central bank sales to support the peso amounted to US\$270 million.

Outstanding arrears to multilateral institutions were cleared in 1991 (Table 23). In November 1991 an agreement was reached under the aegis of the Paris Club to restructure debt falling due between October 1991 and April 1993, as well as the arrears on eligible debt outstanding at the beginning of this consolidation period. All bilateral implementing agreements of the Paris Club Agreed Minute were concluded in 1992. After legislative approval of these agreements in the Dominican Republic, payment to creditors was completed in late 1993 and early 1994.

At the end of April 1993 the authorities reached agreement in principle with the Advisory Committee of the commercial banks on a debt package to restructure about US\$1.1 billion of debt (US\$780 million of principal and US\$300 million of past due interest). The agreement, which was signed in early 1994 and executed in late August, involved an up-front payment of US\$172 million and included two options (a cash buyback of eligible debt, and the exchange of eligible principal remaining unpaid after the cash buyback through collateralized discount bonds), and set forth arrangements for clearing interest arrears. This agreement regularized a large portion of the remaining public sector external debt service that was in arrears.

In recent years, the Dominican authorities have also cleared most of the overdue debt to official bilateral creditors. In 1991, all debt to Mexico (US\$160 million) was bought back for somewhat less than one third of its face value. In 1992, two thirds of the debt to Venezuela (US\$265 million), the largest bilateral creditor outside the Paris Club, was bought back at a similar discount. Arrears to Brazil and Peru were cleared in 1993. During 1994, arrears to Argentina were cleared through a debt-buyback agreement and an agreement with the OPEC Special Fund was reached for the restructuring of the overdue debt. During 1995, the Dominican Republic cleared arrears with Paraguay and Venezuela, and a portion of the outstanding arrears to the OPEC. Also, an agreement was reached on the PL-480 component of the arrears to the U.S. Commodity Credit Corporation (CCC) and the Dominican Republic resumed payments on current obligations related to this component. At the end of 1995, arrears amounting to US\$217 million (mainly with the CCC and certain private suppliers) remain in dispute.

II. The Sugar Industry: An Overview

In recent years, the sugar industry in the Dominican Republic went through significant changes. In the process, production of raw sugar has declined steadily, the private sector has gained a larger share, and technological and financial problems have mounted in the state-owned sugar company (CEA). Preferential access to the U.S. market continues to play a key role in the profitability of this industry.

1. The structure of the industry

a. Background

Of all Dominican industries, sugar is the one with the longest history. It has been the backbone of the Dominican export economy. However, sugar output and exports in the Dominican Republic have been declining steadily since the early 1980s. Sugarcane milled declined to around 5 million metric tons in 1995 from about 12 million metric tons in 1982. Raw sugar production dropped to about 500 thousand metric tons in 1995 from about 1.3 million metric tons in 1982. Raw sugar exports declined to about 250 thousand metric tons in 1995 from around 900 thousand metric tons in 1983 (Table 24).

b. Producers and markets

Production of sugar is carried out by a state-owned corporation (the State Sugar Council--CEA) and by the private sector sugar including the foreign-owned Central Romana, the Dominican Vicini group, and smaller cane producing farmers (colonos), who sell their crop to both the CEA and the Central Romana.

CEA is the largest of the three sugar producers. By the end of 1994, it controlled 173,700 hectares of sugarcane land (compared with 57,000 hectares owned by the Central Romana and 12,000 hectares owned by the Vicini group). 1/ CEA's complex consists of ten mills: Amistad and Montellano in the northern portion of the country; Rio Haina, Boca Chica, and Ozama located in the South; Quisqueya, Consuelo, Santa Fe, and Porvenir in the East; and Barahona located in the Southeast. Two other mills (Esperanza and Catarey) were closed in the 1980s due to unprofitable operations.

Three distinct periods can be identified in the history of the CEA (Table 25). First, a period of growth (1966-76) 2/3/ with good demand from external markets, high world prices, and stable domestic conditions (low inflation, and stable interest rates and salaries). During this period, CEA's output rose by an average of 4.1 percent per year while CEA's annual exports to the preferential U.S. market averaged 500 thousand metric tons. Second, a period of volatility in the production of raw sugar (1977-83) when CEA's performance was affected by political uncertainty in the country, adverse weather conditions, and unstable international economic conditions caused by the petroleum shock and the international debt crisis. In the 1977-78 season, CEA's raw sugar production declined by 24 percent to

1/ Dominican Republic: Creating a Framework for Sustainable Agricultural Growth, Washington, D.C.: World Bank, June 1994.

2/ The Privatization of The State Sugar Council, Dominican Republic: Pedro Delgado Malagón, 1994.

3/ These are crop years which end in September of the calendar year.

641 thousand metric tons. In the following season, the production recovered by 14 percent to 730 thousand metric tons and was accompanied by an increase in the world prices. Hurricane David and the cane rust disease had a toll on the 1979-80 season and production dropped by more than 110 thousand metric tons. Lately, a period of a large downturn in production (1984-95) with raw sugar output dropping steadily from 730 thousand metric tons in 1983 to around 210 thousand metric tons in 1995. Periods of low prices, the diversification program (under which CEA shifted areas from sugarcane cultivation to other activities in an effort to reduce the country's dependance on sugar), a severe drought in the eastern part of the country during 1993-94, and CEA's operational and financial difficulties contributed to the downturn.

The Central Romana is the second largest producer. In 1990, Central Romana accounted for 33 percent of the sugarcane milled and 45 percent of the raw sugar output. These shares increased to 42 percent and 48 percent, respectively, in 1995 (Table 26). The Vicini Group--a family-owned Dominican operation--is the smallest of the three producers. 1/ In 1990, this group accounted for about 6 percent of the sugarcane milled and 3 percent of the raw sugar output. By 1995, these shares have increased to 9 percent and 8 percent, respectively.

The private producers have been more efficient than CEA. They have relied more heavily on mechanization (investing in technology, infrastructure and processing equipment, and making a more efficient use of inputs) while CEA has made intensive use of labor. During 1990-95, CEA's recovery rates (the ratio of raw sugar produced to sugarcane milled) have averaged 7.5 percent compared with 10.2 percent in Central Romana, and 9.4 percent in the Vicini Group.

There are three markets for the Dominican sugar: the domestic market, the international free market, and the U.S. preferential market. Traditionally, a great proportion of the total production has been allocated to the external market. During 1990-95 prices in the U.S. preferential market averaged US\$0.19 per pound (about 70 percent) higher than in the international free market.

2. Factors behind CEA's decline

In recent years, CEA's sugar production has become less significant to the overall economy (see Table 26). Production problems, deficiencies in management, the allocation of CEA's earnings, and labor policies had led to high production costs, mounting financial problems, and low investment and inappropriate maintenance.

1/ Dominican Sugar Plantations. New York: Martin M. Murphy, 1991.

a. Problems in production and transport

Most Dominican sugar experts point to CEA's deeply rooted inefficiencies in field management practices as a major problem. These practices have resulted in poor yields and high post-harvest losses, and production processes which extract relatively low levels of sugar from the cane that enter the mills.

A chronic lack of production inputs, such as fertilizers and pesticide supplies and spare parts to run factory machinery at mills, is also an important factor behind the decline in CEA's output and yields. There has been no significant infusion of investment for improved technologies or upgrading or replacement of factory equipment for many years. In 1995, CEA's investment in machinery and equipment totalled RD\$52 million, a level 80 percent below (in nominal terms) the historical maximum achieved in 1988.

In addition, inadequate maintenance has severely hampered the effectiveness of the rail transport system for cane and contributed to high transport costs. Although the rail system still manages to function, some segments have gone idle. 1/ As the sugar content of cane deteriorates rapidly after cutting and has to be ground within 24 hours, delays in transportation of cane deliveries to mills have contributed to reduce CEA's sugar rates of recovery.

b. Management practices

Several management practices have had adverse effects on CEA's output. For example, in seeking to reach higher levels of production, the CEA's managers have normally ordered the harvests to be extended during periods of high world prices. Though this practice may have succeeded to increase output temporarily, it has normally resulted in reduced output during the following campaigns as it has delayed the planting for the coming seasons. In turn, the reduced sugarcane output has led to the underutilization of the productive capacity, and to higher production costs.

c. The allocation of CEA's earnings

During the 1970s, when world market prices were high and CEA was operating with profits, a large portion of its earnings were allocated to a variety of purposes. In this context, CEA had to pay levies to the Central Government in the form of export and income taxes. 2/ After the payment of these two taxes, CEA was allowed to retain between the 15 percent and 25 percent of net profits to finance the replacement of machinery and equipment. Of the remaining after tax profits, 60 percent was paid to the Central Government and the difference was distributed to CEA's permanent

1/ Dominican Republic: Its Main Economic Development, Washington, D.C.: World Bank, December 1978.

2/ The sugar export tax was removed in 1993.

workers as a profit share bonus. During the period 1971-75, CEA transferred a total of RD\$63 million from its profits to the Central Government and the CEA's workers (Table 27). In 1975, these transfers represented close to 1 percent of GDP.

d. Labor policies

The CEA has also been used as an instrument to improve regional employment conditions. This practice has resulted in a massive over-staffing. In 1995, CEA's wage bill amounted to RD\$857 million (about 0.5 percent of GDP or about 60 percent of CEA's total revenue).

e. The colonos problem

The colonos supply 35 percent of the sugarcane milled by CEA. Mills pay farmers (colonos) based on the sugar content of the cane delivered but payments assume a sugar content of 200 pounds of sugar per short ton of cane (independently of quality). ^{1/} Under the current legislation farmers must receive 60 percent of the total market value of the sugar, which follows the U.S. raw sugar prices. CEA still owes payment to farmers for deliveries effected in 1992 and 1993. By the end of 1995, the debt with the colonos was estimated in US\$28.4 million (RD\$381 million).

f. CEA's financial crisis

CEA's high production costs and weak revenue have led to recurrent deficits that have been financed by borrowing from the Central Bank, the Reserves Bank, and by transfers from the Central Government. There has also been an accumulation of debts to suppliers and colonos.

In 1977, CEA's costs of production were about US\$0.10 per pound compared to a world market price of US\$0.9 per pound (a loss of US\$0.9 per pound) (Table 28). During the 1993-94 season the costs of production raised to about US\$0.29 per pound compared to an effective export price of about US\$0.17 (with the losses raising to US\$0.12 per pound exported). It is estimated that CEA's production losses have declined to about US\$0.8 per pound in 1995 due to improved export prices. However, prospects are for the increasing costs trend to continue, owing to the lack of proper maintenance and technological improvement in CEA's mills.

CEA is also making losses in its domestic operations. In the Dominican Republic, producers are required to sold refined sugar for domestic consumption. The domestic price of sugar is set by the Government. CEA has traditionally provided about 60 percent of the sugar demanded by the domestic market. In 1994, CEA's costs of production of refined sugar were estimated at RD\$3.94 per pound compared to a domestic consumer price of RD\$3.27 per pound (a loss of RD\$0.67 per pound).

^{1/} A short ton is equal to 2,000 pounds.

3. The U.S. sugar quota system and its implications

The U.S. quota system was established in 1934 to protect the U.S. beet industry, which faced production costs three times higher than the cane industry. Under this system producing countries are able to sell a part of their crop in the U.S. market at prices higher than those prevailing in the free international market. The system came to an end in 1973 but was reintroduced by the Reagan Administration in 1981. Under this system, there is a tariff-rate quota (TRQ) which has two tariff tiers: a low tariff (US\$0.63 per pound) on imports up to a maximum quota, and a high duty (US\$0.16 cents per pound) on imports exceeding the maximum quota. Sugar imports under the quota receive the high domestic price, while nonquota sugar gets the much lower international market price. In addition, countries under the Caribbean Base Initiative (CBI), like the Dominican Republic, benefit from duty-free privileges.

In November 1994, in order to meet the Uruguay Round commitments, the United States adopted a proposal to reform the sugar regime to take effect on July 1, 1995. However, in the short term, the changes will be minor. The system of quotas will be maintained through the end of the Uruguay Round implementation period in the year 2001.

Although under the quota system, Dominican Republic has been assigned the major share (17 percent) of the total allocation, the quota has been declining as the United States has become more self-sufficient to produce its sugar requirements. During 1978-81, the quota assigned was 780 thousand metric tons. In 1982-83, it was reduced to 447 thousand metric tons and by 1988 it was only 160 thousand metric tons (Table 29). In 1990, it was increased to 461 thousand metric tons as a result of adverse weather conditions in Florida and a drop in U.S. sugar beet production. This quota increase was temporary, and in October 1991 Washington announced a 34 percent reduction for the 1991-92 season. For the year 1995-96 the export quota granted to the Dominican Republic is 310 thousand metric tons. Uncertainty regarding the setting of the quota has discouraged significant investment and expansion in sugar production. Real income from sugar exports has consequently decreased. Notwithstanding these developments, sugar exports to the U.S. market accounted for 80 percent of the total sugar exports from the Dominican Republic in 1995.

4 Concluding remarks

The problems faced by the Dominican sugar industry reflect the unpredictable nature of the international sugar market with its quota systems and price structure as well as the mounting difficulties faced by the State Sugar Council that has been inefficient and has shown limited capacity to adjust to the structural changes in the world market.

In recent years, the authorities have made efforts to find new markets for sugar and to diversify agricultural production away from overdependence on a single crop. In the mid 1980s, CEA started a program to diversify

production away from sugar by entering into joint ventures, selling or leasing land to private investors for a variety of projects--including production of pineapples and citrus, tourism, and industrial production in the free trade zones. However, so far diversification projects have had poor results due to several factors. On the one hand, most sugarcane land tends to be savannah soils that do not keep the levels of fertility and are inappropriate for the production of other crops. On the other hand, there were some problems regarding the policies on land tenure, and certain joint ventures that had been negotiated were reversed later on. At present, CEA is renting land for pineapple production to United Fruit and Dole Co., and has created industrial free trade zones in the facilities of the Catarey and Esperanza mills, which were closed long ago.

In light of the new international market conditions (including the gradual phasing out of preferential trade arrangements) the sugar industry in the Dominican Republic would need to make further improvements in efficiency. In this context, there is a need to restructure the CEA's mills operations. However, the magnitude of the required investments in technology and infrastructure exceed the financial possibilities of the public finances. A comprehensive restructuring strategy would need to contemplate a streamlining of CEA's operations and increasing participation of the private sector in the production of sugarcane and raw sugar.

III. Pricing and Taxation of Oil Derivatives

In the Dominican Republic, imports, refining, and commercialization of oil derivatives are subject to government regulations and controls. The regulatory framework has given rise to monopolistic practices, economic rents, and cross subsidies. Under current regulations, the domestic prices of oil derivatives are set by the Government which has faced difficulties to adjust these prices flexibly in response to changes in the world oil price and the exchange rate. As a result, an important source of government revenue has become quite vulnerable to developments in international oil prices and the exchange rate.

1. Imports, refining, and commercialization of oil derivatives

a. Imports and refining

Only a few entities are authorized to import petroleum products free of custom taxes. The most important importers are the Dominican Refinery Company (REFIDOMSA), the Dominican Electricity Corporation (CDE), and an importer of Liquid Gas of Propane (OPUVISA). In 1995, total imports by these enterprises amounted to 28 million barrels out of total imports of 33.8 million barrels (Table 30).

REFIDOMSA, the largest oil importer, is a joint venture of the Shell Petroleum International Company and the Dominican Government. It has been granted the monopoly for oil refining and is exempted from taxes on imports

of crude oil. In addition, as the domestic demand for oil derivatives exceeds the refining capacity, REFIDOMSA enjoys a de facto monopoly to import oil derivatives. REFIDOMSA's imports of oil derivatives are also exempted from custom taxes. In 1995, REFIDOMSA imported 12 million barrels of crude and reconstituted oil and 13.6 million barrels of oil derivatives.

CDE is authorized to import fuel and diesel oil free of custom taxes. However, due to its precarious financial position, REFIDOMSA imports most of CDE's oil needs under special arrangements. In 1995, CDE imported only 0.6 million barrels of crude and reconstituted oil, but purchased from REFIDOMSA 3.5 million barrels of diesel and fuel oil.

OPUVISA, a joint venture of the Government and private investors, operates a cargo terminal of liquid gas of propane (LPG). In 1995, OPUVISA's imports of LPG amounted to 1.4 million barrels.

In 1995, imports of petroleum products by the private sector amounted to 6.2 million barrels. The Falconbridge Company (a ferronickel mining company) is the largest private importer of crude and reconstituted oil (3.7 million barrels in 1995). This is an input for the generation of electricity required for the mining of ferronickel. Private companies that have recently been authorized to generate electricity and sell it to CDE can also import oil products free of taxes. Imports of lubricant oil are not subject to restrictions and are made largely by three private distributors (Exxon, Texaco, and Shell).

b. Commercialization

REFIDOMSA enjoys the monopoly on the sale of oil derivatives to the general public. In 1995, REFIDOMSA sold more than 1 billion gallons of oil derivatives in the domestic market (Table 31). The sales are effected through the three large distributors mentioned above and their network of affiliate gas stations. In 1995, the Government authorized Exxon and Texaco to import oil products and to sell oil derivatives directly in the domestic market. They plan to build a joint storage facility in the northern coast of the country. The operation of this terminal will end REFIDOMSA's monopoly on the sales of oil derivatives to the general public. However, before the new company starts operating, the Government must address some policy issues in the sector; particularly, the selection of a single and transparent reference price for the determination of the oil tax liability.

Distribution of petroleum products is also heavily regulated. The Government sets the ex-refinery prices, the prices at the pump (Table 32), the tariffs for the domestic transportation of oil products, and the standards for technical losses in the tankers and the pumps. Moreover, the Government issues the permits for the construction of gas stations and the licenses of the oil tanker trucks.

2. Pricing and taxation of oil derivatives

The country has a long experience of political resistance by consumers to increases in the prices of oil products. In some instances, price increases have led to public outcries and serious popular riots. Consequently, the setting of the domestic prices of oil products has become a politically sensitive issue. In general, the domestic prices of oil products have not been increased in response to increasing world oil prices or to the depreciation of the peso. For example, domestic prices were lowered in 1982, 1986, and 1987 in response to a decline in world prices, notwithstanding a simultaneous depreciation of the exchange rate, which led to a large reduction of prices in U.S. dollar terms (see Table 32). Taxation of oil derivatives is an element of the pricing policy. Excise taxes apply only on the oil derivatives sold by REFIDOMSA to the general public and to CDE.

Before October 1990, prices at the pump were set in reference to an ex-refinery price of US\$40.5 per barrel converted to Dominican pesos at a rate of RD\$1 per U.S. dollar. This reference price should cover the c.i.f. oil price valued at the prevailing official exchange rate, the refining costs and profit margins of the refinery, domestic transportation costs, and a margin for the pump owners. The prices at the pump also included the excise taxes levied on each oil derivative with exception of LPG. 1/ Under this system, REFIDOMSA had to reimburse the Government for any excess of the reference price over the actual c.i.f. oil price converted at the prevailing official exchange rate. Also, the Government should refund REFIDOMSA for any excess of the actual c.i.f. oil price over the reference price. 2/ In addition, REFIDOMSA deducted from the tax liability the subsidies that were granted to CDE, the state-owned airline company (CDA), and the government cement factory, as well as the subsidies on LPG sales.

The system did not provide any automatic link of consumer prices to import prices and the exchange rate leaving tax revenue vulnerable to its variations. The net fiscal contribution of the oil tax (defined as gross tax revenue net of the rebate to REFIDOMSA) increased from 3.4 percent of GDP in 1985 to about 5 percent of GDP in 1986 as a decline in the world oil prices brought about a reduction in the rebate to REFIDOMSA. However, due to the official exchange rate depreciation in the following years the rebate to REFIDOMSA started to rise. As a result, the net fiscal contribution declined steadily and became a net loss for the public finances in 1989 and

1/ LPG is not only tax exempted but heavily subsidized as part of the government policy to discourage the household and industrial use of charcoal to prevent deforestation. This subsidy has encouraged the demand of LPG for other uses, including as fuel for automobiles. REFIDOMSA reported an upsurge of the household demand of LPG, after the subsidy for industry was largely reduced in early 1995. As the subsidy is deducted from the oil tax, this upsurge is eroding the revenue base of this tax.

2/ This is known as the rebate to REFIDOMSA.

1990 (a net loss of close to 1 percent of GDP in 1990). Net oil tax revenue (defined as gross tax revenue net of all cross subsidies) also declined steadily during 1986-90 (Table 33).

In late 1990, the system of pricing and taxation of oil derivatives suffered a major change. The excise taxes on oil derivatives were eliminated and the oil price differential (defined as the difference between prices at the pump set by the Government and the ex-refinery prices) was introduced. The ex-refinery prices were defined as the c.i.f. prices of each oil derivative plus the costs of handling and loading at the oil terminal, the insurance costs, the import surcharge, and the foreign exchange commission. ^{1/} However, as was the case with the previous system, the new system does not provide for an automatic adjustment of the prices at the pump and continues to make oil tax revenue vulnerable to variations in the exchange rate and world oil prices. During 1991-95, the falling trend in world oil prices, together with the stability of the official exchange rate, contributed to an increase in oil tax revenue from RD\$1.9 billion in 1991 to RD\$3.7 billion in 1995 (Table 34). However, relative to GDP, oil tax revenue has not changed much (it has remained at about 2 percent of GDP).

3. Effects on the public finances

The rigidity of the system of pricing and taxing oil derivatives in the Dominican Republic has been a major source of financial instability. For example, the decline in oil tax revenue in the late 1980s contributed to a financial crisis in 1990. The stance of the overall balance of the consolidated public sector had normally reflected the trend in revenue from oil taxes (Table 35).

4. Concluding remarks

The oil market in the Dominican Republic is governed by a regulatory framework with overlapping import and tax regimes. This has given rise to complaints that tax exempted oil imports are directed to nontax exempted uses, which has been an overriding issue of the debates in Congress that have stalled the approval of the Energy Law.

More generally, concerns regarding public reaction to adjustments in the domestic prices of oil products have been an important consideration of the authorities in setting the exchange rate arrangements. These concerns explain to some extent the authorities hesitancy to adopt a more flexible market-based exchange rate system. Instead, a dual exchange rate system has been maintained with a more appreciated official exchange rate applying to

^{1/} The foreign exchange commission was set at 2.5 percent of foreign exchange sales in 1991, lowered to 2 percent in 1992, and to 1.5 percent in 1994. The import surcharge was set at 3 percent of import values and it was eliminated in mid-1995.

oil import requirements. In addition, a set of surrender requirements are in place aimed at ensuring a flow of foreign exchange to pay for the oil bill. The rigidity in the pricing of oil derivatives has also been a major factor behind public finances crisis. The current oil price differential continues to be vulnerable to changes in world oil prices and the exchange rate. A more flexible and transparent pricing system for oil derivatives would make the setting of domestic prices independent of political decisions, improve the allocation of resources, allow for more flexibility in the exchange rate system, and preserve tax revenue.

IV. Monetary Policy Instruments

Albeit to a lesser extent than prior to 1991, the Central Bank of the Dominican Republic (CBDR) has continued to rely heavily on reserve requirements for monetary control. Lately, the placement of central bank certificates has been stepped up. Work is underway to implement market-based monetary policy instruments.

During 1992-95, the CBDR has used reserve requirements as its main instrument of monetary policy, significantly stepped up the placement of central bank paper, and reduced advances and rediscounts to commercial banks (Table 36). The share of required reserves in the total liabilities subject to reserve requirements averaged 21 percent during this period (compared to 36 percent in 1991), the share of central bank certificates of participation increased from 2.6 percent in 1992 to 6.2 percent in 1995, and the share of advances and rediscount operations declined steadily from 5.6 percent in 1990 to an average of 1.5 percent in 1995.

1. Legal reserve requirements

Reserve requirements are calculated by applying the legal rate to the cumulative sum of daily balances of liabilities subject to reserves for a given period of time. The period of calculation, the assets eligible to meet the requirements, and the reserve requirement ratio, vary depending on the type of financial institution and the type of liability. Also, a portion of the required reserve deposits are remunerated (Table 37).

The Superintendency of Banks supervises compliance with reserve requirements and applies penalties in case of deficiencies. As of December 31, 1995, the penalty rate for reserve deficiencies for commercial and multiservice banks was 36.5 percent per year.

a. Commercial and multiservice banks

In 1991, the reserve requirements on commercial banks deposit liabilities were reduced and unified at 20 percent. 1/2/ In addition, it was determined that the only eligible assets to meet these requirements were banks' deposits at the Central Bank (cash in vault, which had been an eligible asset in the past, was excluded) (see Tables 37 and 38).

Commercial banks are required to deposit half of their required reserves in a regular nonremunerated account at the Central Bank, and the other half in a special account, which is remunerated at a 2 percent annual interest rate (provided that reserve requirements are being met). Excess reserves are not remunerated.

Multiservice banks have the same reserve requirement treatment as commercial banks, but are given until 1998 to gradually reach the 20 percent reserve ratio. 3/ These banks can attract foreign exchange deposits, which are also subject to the 20 percent reserve ratio.

b. Other financial institutions

Development and mortgage banks' deposit liabilities with a maturity of less than one year are subject to a reserve requirement of 20 percent, while longer-term liabilities are subject to a reserve requirement of 10 percent

1/ Prior to the unification, the reserve requirement ratios on commercial bank deposits were very high and varied according to the type of deposit liability. They were 40 percent on demand deposits, 30 percent on savings and special deposits, and 20 percent on financial certificates. The excess reserves that resulted from the 1991 unification were significant (RD\$1,400 million, or 10 percent of liabilities subject to reserves, or 1.5 percent of GDP). To avoid a drastic monetary expansion, these resources were temporarily frozen and remunerated at an annual rate of 12 percent. By end-1992, all these reserves had been unfrozen.

2/ During 1991, the Monetary Board also removed ceilings on interest rates, lowered and simplified banks' reserve requirements, and eliminated the compulsory allocation of bank credit.

3/ Multiservice banks were authorized to operate starting in April 1992. At that time, they were created from the merge of at least three financial institutions (a commercial bank, a development bank, and a mortgage bank). As development and mortgage banks were subject to lower reserve requirements, the Monetary Board gave multiservice banks a six-year period to gradually meet the 20 percent reserve requirement. Since May 1994, any financial institution can become a multiservice bank, provided that it first becomes a commercial bank, and satisfies certain capital requirements and other conditions. They are also given until 1998 to reach the 20 percent reserve ratio.

(see Table 37). Development banks can keep up to 45 percent of their required reserves in government bonds.

Deposit liabilities of finance companies (financieras), the Agricultural Bank (a government bank), and the Savings and Loans (S&L) associations are subject to reserve requirements of 10 percent. While the first two are required to deposit their required reserves at the Central Bank, the S&L associations are required to deposit 55 percent of their required reserves at the National Housing Bank (NHB) ^{1/} (for which they earn a 6 percent annual interest rate), and to invest the remaining 45 percent in central bank certificates of participation (on which they earn a 14 percent annual interest rate).

2. Central bank certificates of participation

In an effort to control liquidity in the system, the Monetary Board periodically authorizes the Central Bank to issue certificates at a predetermined rate (Table 39).

The use of these certificates as an instrument of monetary control has become increasingly important, particularly in the last few years. While the Monetary Board authorized a yearly average issuance of RD\$730 million during the 1990-93 period, this amount increased to RD\$1,500 million in 1994 and then RD\$1,900 million in 1995. Accordingly, the share of these certificates in the total liabilities subject to reserve requirements have increased from less than 1 percent in 1993 (0.2 percent of GDP) to 6.2 percent in 1995 (1.2 percent of GDP) (see Table 36).

In general terms, these certificates can be redeemed in the Central Bank before maturity but at a penalty, they are also transferable to another party, but can not be negotiated in the stock market. The interest rate on these certificates is set by the Monetary Board, normally taking into account market conditions and the Central Bank needs to absorb liquidity.

The central bank's certificates are typically issued with one-year maturity and are sold to the financial system and the general public. However, since 1993 the Monetary Board has authorized several issuances to satisfy specific objectives (i.e., the needs of the S&L associations to comply with legal reserve requirements, payments to depositors of financial institutions in liquidation, and the sterilization of the resources that the Dominican oil refinery (REFIDOMSA) deposits with commercial banks). Also,

^{1/} Besides being a bank, the NHB is the regulatory agency of the S&L associations (and hence plays the same role as the Central Bank does with the commercial and other banks). The draft Monetary and Financial code plans to eliminate this regulatory role and if it does, the required reserves deposited in the NHB would be moved to the Central Bank.

in 1994 shorter-term certificates totalling RD\$750 million were issued (with 60, 90, and 120 days maturity).

In order to make monetary control more flexible and to base it on market-based policy instruments, the authorities have been working on the development of open market operations and on a mechanism of competitive bidding with these certificates. In particular, during 1995 and with technical assistance from the Fund, ^{1/} the CBDR has taken several measures to introduce open market operations and foreign exchange transactions, as contemplated in the draft Monetary Code. Thus, it has established an Open Market Committee and an Operational Monetary and Exchange Committee, simulated the placement of central bank certificates through an auction system, and intensified the training of its staff to conduct open market and foreign exchange transactions.

3. Advances and rediscount operations

The central bank provision of advances and rediscount operations to banks constitute the main domestic credit instrument and the third instrument of monetary policy control. In general, the CBDR has provided advances to inject liquidity to the state-owned financial institutions (Reserves and Agricultural Banks), and has performed rediscount operations mainly with commercial banks and, to a limited extent, with development banks. However, since 1990 the CBDR has been reducing its rediscount operations with commercial banks, and has restricted the use of advances and overdraft facilities. Accordingly, the share of advances and rediscounts in the total liabilities subject to reserves has decreased from 5.6 percent in 1990 to 1.1 percent in 1995 (see Table 36). Interest rates on advance and rediscount operations are set by the Monetary Board (Table 40), and have been adjusted once or twice a year.

V. Development of the Tourism Industry ^{2/}

Over the past 15 years the tourism industry in the Dominican Republic has grown from obscurity to the largest in the Caribbean. Driven by strong demand and the extraordinary growth in hotel rooms from 4,000 in 1980 to 32,500 in 1995, tourism receipts have been growing at double-digit rates. In 1995 more than 1.5 million foreign visitors arrived at the country's airports and receipts from tourism surpassed US\$1.6 billion, greatly contributing to the Dominican Republic's first external current account surplus in more than 30 years.

^{1/} An MAE expert visited Santo Domingo several times during 1995 to help authorities with the implementation of a money and foreign exchange desk and to improve monetary programming.

^{2/} Mr. Fernando Rainieri, Advisor to the Governor of the Central Bank, provided valuable background for this report.

1. Background

The authorities began to take an active interest in promoting the tourism industry, following an initial study by the United Nations Development Programme (UNDP) in 1967 that indicated a strong potential for growth in this area. In 1968 tourism was given a high priority in the national development strategy and, soon thereafter, the first national institutions were established to support and encourage investment, including the Directorate of Tourism (Dirección de Turismo de la República Dominicana, Law 541 of 1969). In 1971 the Government established investment guidelines and incentives for hotels, granting generous benefits such as a ten-year tax holiday and exemptions from import duties on materials and equipment for both the construction and operation of hotels. That same year the Central Bank, which was given primary responsibility for developing various tourism projects, established a development office (Departamento para el Desarrollo de la Infraestructura Turística-INFRATUR). In 1979, ten years after its inauguration, the Directorate of Tourism was transformed into the Secretariat of Tourism (SECTUR, Law 84 of 1979), elevating the tourism governing body to the ministerial level.

2. The major projects

The tourism industry has primarily evolved around four major projects: Puerto Plata on the North shore, La Romana and Boca Chica on the South shore, and Punta Cana/Playa Bávaro on the East shore. Whereas the state played a dominant role in the actual construction and operation of the Puerto Plata resort, it has played a far more limited role in the other major projects. At the Punta Cana/Playa Bávaro resort, private investors even assumed the responsibility of building much of the area's infrastructure, including an international airport. Over the years, private investors have also built a substantial number of additional hotels in the proximity of these larger developments, especially in the North. The state has not regulated tourism development closely. To some extent, this has contributed to a neglect of environmental standards and basic building codes and overwhelming local infrastructure.

The authorities, however, deserve much credit for reversing the formerly unattractive investment prospects for tourism. During the 1960s and 1970s, the Dominican Republic was not an attractive tourist destination, despite its good climate, excellent beaches, and rich history as the site of the first Spanish settlement in the Americas. Only the exclusive resort of Casa de Campo at La Romana, which began operating in 1971, managed to compete successfully during this period, with its appeal to a higher income clientele. The state's intensive involvement in the Puerto Plata project, the first resort in the Dominican Republic that appealed to a mass market, was instrumental in demonstrating that the country's tourism industry could be attractive to private investors on its own merits.

The Central Bank, through INFRATUR, was the leading developer of the Puerto Plata project, which was to consist of two development sites, Playa

Dorada and Playa Grande. ^{1/} It was responsible for the infrastructure construction in the two resorts, as well as for building an international airport for the region. Construction of the airport runway began in 1971, INFRATUR's first year in existence. INFRATUR then proceeded to purchase 150 hectares at Playa Dorada and 300 hectares at Playa Grande, and began construction of the infrastructure. Playa Dorada was located only 14 kilometers west of the planned airport and was designed to have 13 lots available for a variety of hotels and residential villas totalling 3,300 rooms and a number of communal facilities including a convention center, golf course and a shopping area. Playa Grande, which was located about 70 kilometers east of the airport, was to be oriented more toward the luxury travel market, and have space for another 1,900 rooms. In November 1974 the World Bank approved a US\$21 million loan to INFRATUR for the construction of the airport's terminal, infrastructure and common facilities at the resorts, and technical assistance. After suffering various delays and cost overruns, which were absorbed by INFRATUR, much of this construction was completed in 1980.

It was anticipated that private developers would simultaneously build the resorts' accommodations and commercial facilities, purchasing land from INFRATUR in the process. But despite the generous tax incentives and an investment promotion campaign by INFRATUR, private investment failed to materialize. Investors were deterred by doubts about the project's success, arising from the cost overruns and delays in the airport and infrastructure investments, high financing costs in the Dominican Republic, and weak tourism demand due to stagnant growth that prevailed in most industrial countries throughout much of the 1970s and early 1980s, particularly in the United States. As a result, INFRATUR itself took responsibility for building the first of the hotels at Playa Dorada.

In 1980, two hotels with a total capacity of 480 rooms began operating at Playa Dorada. To encourage some private participation, INFRATUR leased the operation of one hotel to a private firm, giving it the option to buy the facility at a later date, while INFRATUR continued to shoulder the greatest share of the investment risk. To further encourage private investors, INFRATUR arranged a special credit facility to finance construction of other hotels, which was backed by a second World Bank loan of US\$25 million. The credits were to be repaid over a period of 17 years, which included a four-year grace period and charged an attractive interest rate of 12 percent. Private investors finally began to respond, contributing US\$24 million of equity financing to hotel construction at the Playa Dorada resort (Table 41). By end-1989, 11 hotels were in operation with a capacity of 2,500 rooms. As expansions and new construction continued, these figures increased to 12 hotels and 3,700 rooms by end-1995, with undeveloped space

^{1/} "Puerto Plata Resort Project, Dominican Republic," 1992. In line with a second UNDP study, development of the Boca Chica area was also planned, but land acquisitions there proved to be too difficult.

for 1,100 more rooms still available. ^{1/} However, to date hotel construction at the Playa Grande project has been disappointing. Despite the existing infrastructure, only one hotel has been built there, beginning its operations in 1995.

Since the late 1980s, private investment in hotel accommodations has increased sharply across the country (Table 42). In particular, the devaluation of the peso in January 1985 by 70 percent against the U.S. dollar vastly improved the competitiveness of the Dominican Republic as a tourist destination. Also, strong economic growth in the industrial countries has strengthened tourism demand.

Development at the Punta Cana/Playa Bávaro resort best reflected the new enthusiasm by private investors. Prior to 1985, there were only about 300 rooms available in this area, belonging to the Club Mediterranée Hotel that began operating in 1981. By end-1995, the hotel capacity increased to more than 6,300 rooms, making it the second largest resort project in the country after Playa Dorada and the surrounding Puerto Plata developments. As mentioned earlier, private investors not only developed much of their own infrastructure, but Club Mediterranée, in partnership with local owners of the property, also built the area's international airport. Using their own resources and borrowing about US\$4 million from the Overseas Private Investment Corporation (OPIC) the airport project was completed within a few years. Private investors have also invested in the Boca Chica area since the late 1980s, as the number of hotel rooms there more than doubled from about 560 rooms in 1990 to 1,260 in 1995. Boca Chica has the advantage of being located near the Airport of the Americas, the country's main international airport, which has been in existence for a long time.

With regard to the present situation, private investment remains strong. Indeed, in 1995 alone hotel capacity increased by 3,500 rooms, a 12 percent jump. However, the widespread investment in individual hotels near the larger projects have put a strain on infrastructure in these areas, particularly waste management and electricity. Also, basic building codes have often been either neglected or poorly specified. For example, insufficient setbacks from the ocean front has caused beach erosion. Management of relocation of nearby tenants and squatters has also been problematic.

3. Tourist inflows

During the mid-1980s, the number of visitors to the country began to accelerate, again reflecting the strengthened demand and the improved competitiveness from the devalued peso and increasing supply of hotel rooms (Table 43). Further, whereas visitors had previously come mainly from the United States, a rapidly growing charter industry (pre-arranged vacations)

^{1/} The number of lots available for accommodations had been increased from the original 13 to 16. At end-1995, three lots remained undeveloped.

and "open skies" policy at the Dominican airports allowed for a tremendous branching out to the European and Canadian markets. In 1980, nearly 70 percent of the tourists to the Dominican Republic came from the United States, with the next largest group coming from Canada. Europeans made up less than 10 percent of the total number of tourists at that time. By 1990, Europeans accounted for half of all tourists to the Dominican Republic. This market diversification in clientele not only increased the absolute number of tourists, but it also insulated the industry somewhat from a downturn in demand from any one individual country. Indeed, 1991 was the only year in which the number of tourists to the country fell, reflecting the international impact of the Gulf War. European tourists also tended to take longer vacations, particularly during the summer months. Hence, occupancy rates increased and remained high, at about 70 percent, throughout the brisk expansion in hotel rooms over the past decade. A second peak period has also developed during the summer months to complement the traditional winter peak. In recent years, South American vacationers have begun visiting the country in increased numbers.

4. Main benefits and costs

The benefits to the Dominican Republic of the boom in tourism have been significant. In 1995 the tourism industry accounted for about 4 percent of GDP, as measured principally by the wages paid to Dominican residents, compared to less than 1 percent of GDP in 1980. About 5 percent of the labor force was employed in the tourism sector either directly or indirectly in 1995. In particular, the construction and communications sectors have also benefitted greatly from the hotel boom, as have the restaurant and hotel supplies industries. Further, training facilities have been established to enable Dominicans to fill the more skilled positions in hotel management, including a facility in Puerto Plata that opened in 1978 and the School of Hotel Management at the Pedro Henríquez Ureña University in Santo Domingo.

The Government has benefitted from increased revenue mainly from the airport exit tax and payroll/income taxes on hotel employees, but tax receipts on hotel profits have been small, even after tax holidays have expired. For example, the 1.5 million foreigners visiting the country in 1995 paid about US\$15 million in airport exit taxes. Because of the international nature of the tourism industry and the large extent of foreign ownership of hotels, it is difficult to identify profits as being generated from operations in the Dominican Republic versus operations which occur abroad such as bookings, advertising, transportation, general management, etc.

INFRATUR, however, did not fare so well from its investments. It was unable to recover its investments in infrastructure when selling them to the utility companies. Moreover, though it still owns land in Playa Dorada, it is unlikely that the eventual sales of this property will overcome the losses from previous sales of property at the low prices that were needed to

attract earlier investors. To date, the borrowers from the special credit facility have kept current with their debt-service obligations.

5. Concluding remarks

Certainly, the authorities have placed the Dominican Republic in a superb competitive position to take advantage of the strong demand in tourism that has evolved over the past decade. While, in retrospect, it appears that the Puerto Plata projects were a bit premature in their timing, as the 1970s proved to be a period of weak demand, perhaps it may well have been necessary to conduct such an exercise to prepare the industry for the fruitful years that have followed. The provision of infrastructure was important for quality development, but as the Punta Cana/Playa Bávaro project indicates, it is also possible to allow the private sector to assume responsibility for such investment. Yet, the recent experience suggests that the authorities must establish clear guidelines for future development and operations with a view to protecting the environment. Finally, it is questionable whether tax incentives were necessary to encourage private investment. Generous incentives were available for ten years without investors taking advantage of them and, in the cases when such incentives have expired, tax collections on hotel profits have remained low.

Table 1. Dominican Republic: Macroeconomic Flows

	1990	1991	1992	1993	1994	Prel. 1995
I. Balance of Payments						
<u>Current account balance</u>	-2.6	-1.4	-5.4	-0.9	-1.4	1.4
Exports	11.7	8.6	6.3	5.2	6.0	6.2
Imports	-28.6	-22.6	-24.2	-21.7	-24.3	-22.5
Tourism receipts	13.4	11.2	11.4	12.7	13.4	13.6
Interest payments	-5.0	-3.9	-2.7	-2.0	-1.5	-1.9
<u>Capital account</u>	-4.5	2.2	4.6	1.3	-1.8	-0.5
Public	-4.8	-1.7	-1.4	-0.7	-0.8	-0.1
Private	-0.1	3.7	5.8	1.8	-1.0	-0.4
<u>Overall balance</u>	-7.5	0.5	-1.0	0.2	-3.2	0.9
<u>Changes in international reserves (increase -)</u>	-1.8	-4.6	-1.3	-1.3	4.3	-1.0
<u>Extraordinary financing</u>	9.3	4.1	2.4	1.1	-1.1	0.1
Rescheduling	1.0	12.8	2.7	1.1	--	0.1
Arrears	8.3	-8.7	-0.3	--	0.5	--
Debt buyback/debt-service reduction	--	--	--	--	-1.6	--
II. Aggregate Expenditure, Saving and Investment						
Resource balance	-3.5	-2.2	-5.9	-1.8	-3.1	0.2
<u>Aggregate domestic expenditure</u>	103.5	102.2	105.9	101.8	103.1	99.8
Consumption	76.8	81.8	85.6	79.9	80.4	75.6
Private	71.5	77.3	80.4	73.6	73.8	68.8
Public	5.3	4.5	5.2	6.2	6.6	6.8
Investment	26.7	20.3	20.3	22.0	22.7	24.2
Private	18.1	15.1	14.4	13.9	12.7	16.7
Public	8.4	5.1	5.8	7.9	9.8	7.4
Changes in inventory	0.2	0.1	0.1	0.1	0.1	0.1
<u>National saving</u>	24.1	18.9	14.9	21.0	21.3	25.7
Public	3.5	6.8	8.8	8.5	7.2	7.3
Private	20.6	12.1	6.1	12.5	14.2	18.4
<u>External saving</u>	2.6	1.4	5.4	0.9	1.4	-1.4
III. Public Sector						
Current account balance 1/	2.7	6.1	7.9	7.7	6.5	6.7
Capital expenditure	7.1	8.2	8.7	9.9	10.7	7.2
Primary balance	-1.0	3.7	4.1	2.1	-1.4	1.7
Overall balance (after grants)	-5.0	0.1	1.3	-0.3	-3.0	-0.1
IV. Financial Sector						
<u>Net international reserves</u>	0.5	5.1	1.5	1.8	-4.7	1.0
<u>Net domestic assets</u>	8.9	3.2	3.4	2.8	7.6	6.0
Public sector (net)	1.4	-2.5	-2.4	-0.1	3.1	0.1
Private sector	5.5	3.7	5.2	3.2	3.4	3.7
Other	2.0	1.9	0.6	-0.3	1.0	2.1
<u>Medium- and long-term foreign liabilities</u>	1.3	-0.5	-1.8	--	-0.6	0.2
<u>Liabilities to the private sector</u>	8.1	8.7	6.6	4.6	3.4	6.8
<u>Velocity (GDP/money and quasi-money) 2/</u>	3.3	4.0	3.6	3.2	3.2	3.3
(Percentage changes over previous year)						
<u>Memorandum items</u>						
GDP at 1980 prices	-5.8	1.0	8.0	3.0	4.3	4.8
Consumer prices (year average)	50.5	47.1	4.3	5.2	8.3	12.5
Consumer prices (end of year)	79.9	7.9	5.2	2.8	14.3	9.2
(In millions of Dominican pesos)						
<u>GDP</u>	60,305	96,333	112,698	121,808	136,206	160,456

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Of the consolidated public sector.

2/ The denominator is the average stock of money and quasi-money for the period (average of the stock at the beginning and at the end of the year).

Table 2. Dominican Republic: Sectoral Origin of GDP at Constant Prices

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos at 1980 prices)						
Real GDP (at market prices)	8,437	8,519	9,201	9,477	9,889	10,364
Primary production	1,689	1,733	1,762	1,664	1,784	1,911
Crops	860	919	978	949	919	1,000
Livestock	427	433	460	487	486	500
Forestry and fishing	56	56	56	56	56	58
Mining	347	326	269	172	324	355
Secondary production	2,059	2,016	2,323	2,476	2,582	2,616
Manufacturing	1,232	1,285	1,412	1,470	1,510	1,490
Sugar	171	190	183	202	195	164
Other	783	781	901	886	906	898
Free trade zones	279	313	328	382	410	428
Construction	785	688	855	941	1,004	1,061
Electricity and water	42	44	56	65	68	65
Services	4,688	4,769	5,116	5,337	5,523	5,837
Wholesale and retail trade	984	1,004	1,076	1,084	1,100	1,195
Hotels and restaurants	237	269	303	367	422	493
Transport	361	373	427	447	456	483
Communications	132	155	181	200	225	268
Financial services	745	754	757	750	752	758
Housing	641	642	647	652	659	670
Public administration	705	697	711	733	761	768
Other	883	875	1,015	1,104	1,149	1,203
(Annual percentage changes)						
Real GDP (at market prices)	-5.8	1.0	8.0	3.0	4.3	4.8
Primary production	-10.5	2.6	1.7	-5.6	7.3	7.1
Crops	-15.1	6.9	6.4	-2.9	-3.2	8.8
Livestock	0.5	1.5	6.2	5.8	-0.2	2.9
Forestry and fishing	-0.4	-1.6	0.4	-0.4	0.4	2.8
Mining	-11.8	-5.9	-17.5	-36.0	88.2	9.4
Secondary production	-6.7	-2.1	15.2	6.6	4.3	1.3
Manufacturing	-5.6	4.3	9.9	4.1	2.8	-1.3
Sugar	-27.7	11.4	-3.7	10.2	-3.5	-15.7
Other	-5.1	-0.2	15.3	-1.6	2.2	-0.9
Free trade zones	14.1	12.5	4.6	16.4	7.4	4.5
Construction	-6.9	-12.5	24.4	10.1	6.6	5.7
Electricity and water	-27.5	4.4	29.1	15.5	3.8	-4.1
Services	-3.6	1.7	7.3	4.3	3.5	5.7
Wholesale and retail trade	-13.6	2.0	7.2	0.7	1.5	8.6
Hotels and restaurants	-13.7	13.5	12.4	21.3	15.0	16.6
Transport	-11.8	3.5	14.3	4.8	2.0	5.9
Communications	13.7	17.0	16.9	10.7	12.2	19.2
Financial services	7.4	1.2	0.4	-1.0	0.3	0.8
Housing	0.1	0.1	0.8	0.9	1.0	1.7
Public administration	2.6	-1.1	2.0	3.1	3.7	0.9
Other	-2.4	-0.9	15.9	8.8	4.1	4.7

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

Table 3. Dominican Republic: Output of Selected Products
(In thousands of metric tons: unless otherwise specified)

	1990	1991	1992	1993	1994	Pre1. 1995
<u>Agricultural products</u>						
Sugar cane (millions of metric tons)	7	7	7	7	6	5
Coffee beans	90	81	82	81	74	88
Raw cotton ^{1/}	6	3	--	1	1	--
Cocoa beans	43	44	47	53	63	65
Tobacco leaves	18	24	20	15	17	19
Unprocessed rice	428	466	570	443	376	447
Beans	34	26	37	41	37	37
Tomatoes	118	105	90	95	83	94
<u>Livestock products</u>						
Beef	83	84	83	86	81	80
Poultry	110	112	122	128	131	137
Milk (millions of liters)	337	338	353	370	360	374
<u>Manufacturing products</u>						
Raw sugar	511	604	560	588	583	482
Rice	297	303	368	288	244	316
Rum (millions of liters)	41	39	44	43	44	41
Beer (millions of liters)	137	146	206	184	219	208
Noodles (metric tons)	11	12	14	15	15	16
Pasteurized milk (millions of liters)	23	20	19	22	30	31
Cement (millions of 42.5 kg. bags)	26	29	32	30	31	34
Constructions bars	96	52	103	110	109	125
<u>Mineral products</u>						
Bauxite ^{2/}	85	6	...	...	...	...
Nickel in ferronickel	29	29	22	13	31	31
Gold (thousands of troy ounces)	140	102	72	8	49	106
Silver (thousands of troy ounces)	735	706	433	39	296	677

Source: Central Bank of the Dominican Republic.

^{1/} The National Cotton Producer Company, the main producer of cotton, has been closed since 1992.

^{2/} In 1991, the Government decided to forbid the exploitation of bauxite mines with the aim of protecting the environment.

Table 4. Dominican Republic: Free Trade Zones Statistics

Year	Number of Firms (Units)	Number of Employees (Thousands)	Foreign Exchange Surrendered to the Central Bank <u>1/</u> (In millions of US\$)	Gross Value of Exports (In millions of US\$)
1980	71	16.4	44.5	117.1
1981	77	18.3	57.6	128.2
1982	87	18.7	61.1	155.1
1983	101	19.3	61.9	181.2
1984	120	25.7	52.1	195.7
1985	136	30.9	44.6	214.7
1986	156	51.2	88.5	246.2
1987	199	66.0	98.1	332.3
1988	220	83.8	130.0	519.9
1989	299	122.9	191.3	735.6
1990	331	130.0	196.1	834.5
1991	366	135.5	249.9	998.0
1992	404	141.1	305.7	1,190.7
1993	462	164.3	401.0	1,356.3
1994	476	176.3	453.3	1,530.0
1995 <u>2/</u>	506	184.2	474.6	1,565.0 <u>3/</u>

Sources: National Planning Office; and Dominican Republic Free Trade Zones Association.

1/ Since March 20, 1992, earnings of the free trade zones do not have to be surrendered to the Central Bank of the Dominican Republic. Since that date, the data represents an estimate of the free trade zones local expenditure.

2/ Preliminary.

3/ January-October 1995.

Table 5. Dominican Republic: Production and Sales of Electricity

	1990	1991	1992	1993	1994	Prel. 1995
<u>(In gigawatt hours)</u>						
<u>Production</u>	<u>3,326</u>	<u>3,633</u>	<u>4,722</u>	<u>5,666</u>	<u>5,984</u>	<u>5,765</u>
Hydroelectric	448	637	525	1,418	673	762
Thermal	2,251	2,157	2,775	2,794	3,210	2,846
Gas turbines	180	257	655	709	727	573
Diesel	4	4	4	4	5	6
Other	443	578	763	741	1,369	1,577
<u>Less</u>	<u>1,196</u>	<u>1,404</u>	<u>1,825</u>	<u>2,345</u>	<u>2,557</u>	<u>2,473</u>
CDE internal consumption	204	175	229	232	236	234
Losses	992	1,229	1,596	2,113	2,321	2,239
<u>Sales</u>	<u>2,130</u>	<u>2,229</u>	<u>2,897</u>	<u>3,321</u>	<u>3,427</u>	<u>3,292</u>
Residential	843	888	1,154	1,317	1,374	1,301
Commercial	236	233	325	383	391	375
Industrial	613	681	878	1,066	1,129	1,081
Public sector	345	334	356	371	348	351
Street lights	93	93	184	184	184	184
<u>(Percentage change)</u>						
<u>Sales</u>	<u>-11.2</u>	<u>4.6</u>	<u>30.0</u>	<u>14.6</u>	<u>3.2</u>	<u>-3.9</u>
Residential	-10.1	5.3	30.0	14.1	4.3	-5.3
Commercial	-11.3	-1.3	39.5	17.8	2.2	-4.2
Industrial	-15.1	11.1	28.9	21.4	5.9	-4.3
Public sector	-9.2	-3.2	6.6	4.2	-6.1	0.8
Street lights	--	--	97.8	--	0.2	--

Sources: Dominican Electricity Corporation; and Central Bank of the Dominican Republic.

Table 6. Dominican Republic: Savings and Investment

	1990	1991	1992	1993	1994	Prel. 1995
<u>(In millions of Dominican pesos)</u>						
<u>Gross domestic investment</u>	<u>16,123</u>	<u>19,585</u>	<u>22,899</u>	<u>26,754</u>	<u>30,880</u>	<u>38,907</u>
Public sector	5,068	4,886	6,520	9,651	13,379	11,862
Private sector ^{1/}	11,055	14,699	16,379	17,103	17,501	27,045
<u>Gross national saving</u>	<u>14,533</u>	<u>18,243</u>	<u>16,764</u>	<u>25,638</u>	<u>29,039</u>	<u>41,208</u>
Public sector	2,100	6,583	9,941	10,381	9,747	11,727
Private sector	12,434	11,660	6,823	15,257	19,292	29,481
<u>External saving</u>	<u>1,590</u>	<u>1,342</u>	<u>6,135</u>	<u>1,116</u>	<u>1,841</u>	<u>-2,301</u>
<u>(In percent of GDP)</u>						
<u>Gross domestic investment</u>	<u>26.7</u>	<u>20.3</u>	<u>20.3</u>	<u>22.0</u>	<u>22.7</u>	<u>24.2</u>
Public sector	8.4	5.1	5.8	7.9	9.8	7.4
Private sector ^{1/}	18.3	15.3	14.5	14.0	12.8	16.9
<u>Gross national saving</u>	<u>24.1</u>	<u>18.9</u>	<u>14.9</u>	<u>21.0</u>	<u>21.3</u>	<u>25.7</u>
Public sector	3.5	6.8	8.8	8.5	7.2	7.3
Private sector	20.6	12.1	6.1	12.5	14.2	18.4
<u>External saving</u>	<u>2.6</u>	<u>1.4</u>	<u>5.4</u>	<u>0.9</u>	<u>1.4</u>	<u>-1.4</u>
<u>Memorandum item</u>						
Gross domestic savings	23.2	18.2	14.4	20.1	19.6	24.4

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} Includes changes in inventory.

Table 7. Dominican Republic. Changes in Selected Price and Wage Indices
(Annual percentage changes)

	1990	1991	1992	1993	1994	Prel. 1995
Consumer price index (End of period)	79.9	7.9	5.2	2.8	14.3	9.2
Consumer price index (Annual average)	50.5	47.1	4.3	5.2	8.3	12.5
GDP deflator	51.1	58.2	8.3	4.9	7.2	12.4
Export price index	-12.0	-4.0	-10.5	-5.9	27.6	13.8
Import price index	4.3	-2.9	0.8	-3.1	6.7	5.4
Terms of trade index	-15.6	-1.1	-11.2	-2.9	19.6	8.0
Minimum wages ^{1/}	60.0	30.0	--	15.4	--	20.0

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} Medium-size businesses in the private sector.

Table 8. Dominican Republic: Monthly Changes in the Consumer Price Index ^{1/}

	1990	1991	1992	1993	1994	1995
<u>(Monthly percentage change)</u>						
<u>Average</u>	<u>5.1</u>	<u>0.6</u>	<u>0.4</u>	<u>0.2</u>	<u>1.1</u>	<u>0.7</u>
January	1.7	0.1	--	0.9	0.7	1.5
February	0.7	3.7	-1.5	-0.1	1.1	0.4
March	1.6	1.0	-0.6	-0.6	1.0	0.8
April	2.7	-1.4	0.5	-0.4	1.2	-0.1
May	2.3	-0.3	0.4	0.3	1.0	0.4
June	2.4	0.2	2.7	0.7	0.9	0.6
July	5.0	0.3	-0.5	0.5	0.2	0.7
August	11.6	1.5	0.9	--	1.2	1.1
September	9.7	1.3	0.7	0.6	1.3	1.5
October	9.8	0.3	0.5	0.5	1.2	0.7
November	7.4	--	0.5	0.3	0.8	0.9
December	6.0	0.9	1.4	0.3	2.9	0.2
<u>(Cumulative change during the year)</u>						
<u>Average</u>	<u>28.0</u>	<u>4.6</u>	<u>1.1</u>	<u>1.2</u>	<u>6.6</u>	<u>4.9</u>
January	1.7	0.1	--	0.9	0.7	1.5
February	2.4	3.8	-1.5	0.8	1.8	1.9
March	4.0	4.9	-2.1	0.1	2.9	2.8
April	6.8	3.4	-1.6	-0.2	4.0	2.6
May	9.2	3.0	-1.1	0.1	5.1	3.1
June	11.9	3.3	1.6	0.8	6.1	3.7
July	17.5	3.6	1.0	1.3	6.3	4.4
August	31.1	5.2	2.0	1.2	7.5	5.6
September	43.8	6.6	2.7	1.8	8.9	7.2
October	57.9	6.9	3.3	2.3	10.2	8.0
November	69.7	6.9	3.8	2.5	11.2	9.0
December	79.9	7.9	5.2	2.8	14.3	9.2
<u>(12-month change)</u>						
<u>Average</u>	<u>48.9</u>	<u>52.5</u>	<u>4.3</u>	<u>5.3</u>	<u>8.2</u>	<u>12.6</u>
January	35.0	77.1	7.8	6.0	2.6	15.3
February	35.2	82.5	2.4	7.6	3.8	14.5
March	35.6	81.4	0.8	7.5	5.6	14.2
April	36.5	74.1	2.8	6.6	7.2	12.8
May	35.3	69.7	3.5	6.5	8.0	12.1
June	35.3	66.1	6.1	4.3	8.2	11.8
July	39.3	58.7	5.2	5.4	7.9	12.3
August	51.6	44.4	4.6	4.4	9.1	12.3
September	60.4	33.4	4.0	4.2	10.0	12.5
October	67.1	21.8	4.2	4.2	10.8	12.0
November	76.0	13.4	4.7	3.9	11.4	12.1
December	79.9	7.9	5.2	2.8	14.3	9.2

Source: Central Bank of the Dominican Republic.

^{1/} Revised data based on November 1984 weights. See footnote 1 in Statistical Appendix Table 48.

Table 9. Dominican Republic: Trends in Minimum Wages, 1985-95 ^{1/}

Year	Private Businesses			Free Industrial Zones	Public Sector
	Large	Medium	Small		
(In millions of Dominican pesos)					
1985	250	250	175	250	250
1986	250	250	175	250	250
1987	350	350	250	350	300
1988	500	500	350	500	400
1989	700	500	450	650	500
1990	1,120	800	720	1,120	650
1991	1,456	1,040	936	1,120	780
1992	1,456	1,040	936	1,269	780
1993	1,675	1,200	1,080	1,269	780
1994	1,675	1,200	1,080	1,400	780
1995	2,010	1,440	1,296	1,680	1,014
(In Dominican pesos of 1980)					
1985	113.0	113.0	79.1	113.0	113.0
1986	108.3	108.3	75.8	108.3	108.3
1987	123.5	123.5	88.2	123.5	105.9
1988	113.3	113.3	79.3	113.3	90.6
1989	117.8	84.1	75.7	109.4	84.1
1990	104.8	74.8	67.4	104.8	60.8
1991	126.2	90.2	81.1	97.1	67.6
1992	120.0	85.7	77.2	104.6	64.3
1993	134.3	96.2	86.6	101.8	62.6
1994	117.5	84.2	75.8	98.2	54.7
1995	129.1	92.5	83.2	107.9	65.1
(Minimum wage index 1980 = 100)					
1985	90.4	90.4	63.3	90.4	90.4
1986	86.6	86.6	60.6	86.6	86.6
1987	98.8	98.8	70.6	98.8	84.7
1988	90.6	90.6	63.4	90.6	72.5
1989	94.2	67.3	60.6	87.5	67.3
1990	83.8	59.9	53.9	83.8	48.6
1991	101.0	72.1	64.9	77.7	54.1
1992	96.0	68.6	61.7	83.7	51.4
1993	107.5	77.0	69.3	81.4	50.0
1994	94.0	67.3	60.6	78.6	43.8
1995	103.3	74.0	66.6	86.3	52.1
(In U.S. dollars) ^{2/}					
1985	85.6	85.6	59.9	81.2	85.6
1986	82.3	82.3	57.6	86.8	82.3
1987	73.0	73.0	52.1	100.6	62.6
1988	79.3	79.3	55.5	90.7	63.4
1989	88.1	62.9	56.6	102.7	62.9
1990	87.5	62.5	56.2	132.9	50.8
1991	114.1	81.5	73.4	90.2	61.1
1992	115.8	82.7	74.5	101.5	62.1
1993	134.1	96.1	86.5	101.5	62.4
1994	130.8	93.7	84.3	109.3	60.9
1995	149.0	106.7	96.1	124.5	75.2

Source: Central Bank of Dominican Republic.

^{1/} Wages in effect at the end of the year.

^{2/} For the free trade zones, nominal wages were converted using the official buying exchange rate until 1992 (as earnings of these zones had to be surrendered to the Central Bank). The floating inter-bank buying exchange rate was used thereafter. For the public sector and private businesses nominal wages were converted using the extra-bank buying rate until 1990 and the inter-bank buying rate thereafter.

Table 10. Dominican Republic: Labor Force by Sector of Economic Activity
(As a percent of the total labor force)

	1991	1992	1993	1994	Prel. 1995
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
<u>Primary production</u>	<u>17.7</u>	<u>15.6</u>	<u>14.3</u>	<u>13.2</u>	<u>13.3</u>
Agriculture and related sectors	17.4	15.2	14.1	12.8	12.9
Mining	0.3	0.3	0.2	0.4	0.4
<u>Secondary production</u>	<u>19.9</u>	<u>19.6</u>	<u>21.4</u>	<u>22.4</u>	<u>22.6</u>
Manufacturing	15.8	15.3	16.9	17.4	17.5
Construction	3.8	4.0	3.9	4.2	4.6
Utilities	0.3	0.4	0.6	0.8	0.6
<u>Services</u>	<u>62.4</u>	<u>64.8</u>	<u>64.3</u>	<u>64.4</u>	<u>64.1</u>
Transport and communications	4.8	4.9	5.2	6.1	6.5
Commercial services	17.2	19.6	19.3	21.1	21.2
Financial services	2.1	2.4	2.4	3.3	3.4
Other services	21.3	22.8	21.9	25.0	24.7
Nonspecified activities	17.0	15.1	15.5	9.0	8.3
<u>Memorandum items</u>					
Labor force as a percent of working age population	54.5	59.4	56.4	52.7	52.1
Open unemployment (percent of economically active population) <u>1/</u>	7.7	9.1	7.9	6.2	6.9 <u>2/</u>

Source: Central Bank of the Dominican Republic.

1/ September.

2/ June.

Table 11. Dominican Republic: Operations of the Public Sector

	1990	1991	1992	1993	1994	Pre-l. 1995
(In millions of Dominican pesos)						
<u>Total revenue</u>	<u>7,941</u>	<u>14,217</u>	<u>18,284</u>	<u>20,439</u>	<u>21,884</u>	<u>26,930</u>
Current revenue 1/	7,723	13,997	18,132	20,213	21,323	25,983
Capital revenue 1/	218	220	152	226	561	947
<u>Total expenditure</u>	<u>9,986</u>	<u>15,869</u>	<u>19,034</u>	<u>22,911</u>	<u>26,317</u>	<u>26,109</u>
Current expenditure 1/	5,720	7,959	9,215	10,825	11,752	14,554
Capital expenditure 1/	4,266	7,909	9,819	12,086	14,566	11,555
Of which: fixed investment	3,980	6,085	7,750	10,774	13,489	10,511
<u>Current account balance</u>	<u>1,629</u>	<u>5,875</u>	<u>8,875</u>	<u>9,384</u>	<u>8,885</u>	<u>10,718</u>
General government	2,003	6,038	8,917	9,388	9,571	11,429
Public enterprises	-374	-162	-42	-5	-686	-711
<u>Residual deficit 2/</u>	<u>-1,088</u>	<u>1,199</u>	<u>1,230</u>	<u>1,122</u>	<u>110</u>	<u>-1,352</u>
<u>Overall balance before grants 3/</u>	<u>-3,507</u>	<u>-615</u>	<u>439</u>	<u>-1,354</u>	<u>-5,010</u>	<u>-1,242</u>
<u>Grants</u>	<u>470</u>	<u>707</u>	<u>1,065</u>	<u>998</u>	<u>861</u>	<u>1,009</u>
<u>Overall balance after grants</u>	<u>-3,036</u>	<u>92</u>	<u>1,504</u>	<u>-357</u>	<u>-4,149</u>	<u>-233</u>
<u>Financing</u>	<u>3,036</u>	<u>-92</u>	<u>-1,504</u>	<u>357</u>	<u>4,148</u>	<u>233</u>
External (Net)	2,220	2,270	1,158	463	-106	62
Drawing	677	1,052	873	1,434	1,615	1,913
Amortization due	-1,454	-1,992	-2,019	-2,091	-2,470	-2,309
Rescheduling	95	1,795	3,178	1,135	--	148
Principal	95	732	1,163	784	--	94
Interest	--	1,062	2,015	351	--	54
Arrears	2,969	2,219	--	748	1,290	789
Principal	1,087	599	--	--	665	203
Interest	1,882	1,620	--	748	625	586
Payment of past arrears	-67	-804	-874	-763	-541	-479
Domestic	816	-2,362	-2,661	-106	4,254	171
<u>Memorandum items</u>						
Interest payments 4/	2,437	3,497	3,102	2,961	2,246	2,896
Primary balance	-599	3,589	4,606	2,605	-1,902	2,663
(In percent of GDP)						
<u>Total revenue</u>	<u>13.2</u>	<u>14.8</u>	<u>16.2</u>	<u>16.8</u>	<u>16.1</u>	<u>16.8</u>
Current revenue 1/	12.8	14.5	16.1	16.6	15.7	16.2
Capital revenue 1/	0.4	0.2	0.1	0.2	0.4	0.6
<u>Total expenditure</u>	<u>16.6</u>	<u>16.5</u>	<u>16.9</u>	<u>18.8</u>	<u>19.3</u>	<u>16.3</u>
Current expenditure 1/	9.5	8.3	8.2	8.9	8.6	9.1
Capital expenditure 1/	7.1	8.2	8.7	9.9	10.7	7.2
<u>Current account balance</u>	<u>2.7</u>	<u>6.1</u>	<u>7.9</u>	<u>7.7</u>	<u>6.5</u>	<u>6.7</u>
General government	3.3	6.3	7.9	7.7	7.0	7.1
Public enterprises	-0.6	-0.2	--	--	-0.5	-0.4
<u>Residual deficit</u>	<u>-1.8</u>	<u>1.2</u>	<u>1.1</u>	<u>0.9</u>	<u>0.1</u>	<u>-0.8</u>
<u>Overall balance before grants</u>	<u>-5.8</u>	<u>-0.6</u>	<u>0.4</u>	<u>-1.1</u>	<u>-3.7</u>	<u>-0.8</u>
<u>Grants</u>	<u>0.8</u>	<u>0.7</u>	<u>0.9</u>	<u>0.8</u>	<u>0.6</u>	<u>0.6</u>
<u>Overall balance after grants</u>	<u>-5.0</u>	<u>0.1</u>	<u>1.3</u>	<u>-0.3</u>	<u>-3.0</u>	<u>-0.1</u>
<u>Financing</u>	<u>5.0</u>	<u>-0.1</u>	<u>-1.3</u>	<u>0.3</u>	<u>3.0</u>	<u>0.1</u>
External	3.7	2.4	1.0	0.4	-0.1	--
Domestic	1.4	-2.5	-2.4	-0.1	3.1	0.1
<u>Memorandum item</u>						
Primary balance	-1.0	3.7	4.1	2.1	-1.4	1.7

Sources: National Budget Office (ONAPRE), Central Bank of the Dominican Republic, and Fund staff estimates.

1/ Excludes intersector transfers.

2/ Reflects statistical discrepancies and the operations of the nonconsolidated public sector; particularly, capital outlays.

3/ Includes the current account balance of the public enterprises.

4/ On accrual basis.

Table 12. Dominican Republic: Summary Operations of the Central Government

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
Total revenue	7,482	12,965	17,118	19,152	20,254	24,891
Current revenue	7,316	12,797	16,856	18,856	19,682	23,990
Tax revenue	6,220	11,292	15,417	17,793	18,729	22,371
Taxes on income and profits	1,595	2,359	2,747	3,097	3,212	4,142
Taxes on property	64	80	104	132	143	160
Taxes on goods and services	2,071	4,918	6,116	7,764	9,210	11,457
Of which: oil price differential	--	1,945	1,871	2,440	3,144	3,234
Taxes on international trade and transactions	2,448	3,882	6,388	6,701	6,063	6,509
Other taxes	42	53	62	99	101	103
Nontax revenue	1,096	1,505	1,439	1,063	953	1,619
Capital revenue	166	168	262	296	572	901
Total expenditure	8,238	12,179	16,056	19,951	23,879	23,506
Current expenditure	4,634	6,434	7,717	9,497	10,408	12,993
Wages and salaries	1,645	2,208	2,823	3,562	4,241	5,343
Goods and services	771	1,000	1,618	2,213	2,549	2,910
Interest 1/	980	1,530	1,436	1,243	1,471	1,746
Current transfers	1,094	1,557	1,806	2,479	2,146	2,993
Other expenditures	144	139	34	--	--	--
Capital expenditure	3,604	5,745	8,340	10,454	13,471 2/	10,513
Fixed investment	2,063	2,298	3,988	6,366	9,335	7,426
Capital transfers	1,407	2,493	3,211	3,383	3,458	2,842
Other	134	954	1,141	706	678	246
Current account balance	2,682	6,363	9,139	9,359	9,274	10,997
Other transfers payments 3/	-71	-653	-590	-988	-1,039	-1,127
Residual	1,412	1,265	611	1,034	1,834	146
Overall balance	584	1,398	1,083	-752	-2,830	404
Financing	-584	-1,398	-1,083	752	2,830	-404
External (net)	-525	251	1,091	449	-536	13
Drawing	508	583	556	1,148	1,251	1,906
Amortization due	-1,062	-1,401	-1,413	-1,620	-1,788	-1,641
Rescheduling	95	1,069	1,948	921	--	148
Principal	95	732	744	660	--	94
Interest	--	336	1,204	261	--	54
Arrears	--	--	--	--	--	--
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Payments of past arrears	-67	--	--	--	--	--
Domestic	-59	-1,649	-2,174	303	3,366	-417
(In percent of GDP)						
Total revenue	12.4	13.5	15.2	15.7	14.9	15.5
Current revenue	12.1	13.3	15.0	15.5	14.4	15.0
Tax revenue	10.3	11.7	13.7	14.6	13.8	13.9
Of which: oil price differential	--	2.0	1.7	2.0	2.3	2.0
Nontax revenue	1.8	1.6	1.3	0.9	0.7	1.0
Capital revenue	0.3	0.2	0.2	0.2	0.4	0.6
Total expenditure	13.7	12.6	14.2	16.4	17.5	14.6
Current expenditure	7.7	6.7	6.8	7.8	7.6	8.1
Capital expenditure	6.0	6.0	7.4	8.6	9.9	6.6
Current account balance	4.4	6.6	8.1	7.7	6.8	6.9
Other transfers payments 3/	-0.1	-0.7	-0.5	-0.8	-0.8	-0.7
Residual	2.3	1.3	0.5	0.8	1.3	0.1
Overall balance	1.0	1.5	1.0	-0.6	-2.1	0.3

Sources: National Budget Office (ONAPRE); Central Bank of the Dominican Republic; and Fund staff estimates

1/ On accrual basis.

2/ Includes RDS 1978 million of extra-budget expenditure not reported by ONAPRE.

3/ Payments on account of the servicing of the public enterprises' external debt.

Table 13. Dominican Republic: Operations of the Public Enterprises

	1990	1991	1992	1993	1994	Prel. 1995
I. Consolidated Public Enterprises						
(In millions of Dominican pesos)						
<u>Current revenue</u>	<u>3,480</u>	<u>5,387</u>	<u>6,572</u>	<u>7,192</u>	<u>7,577</u>	<u>8,125</u>
Operating revenue	3,064	4,852	6,020	6,200	6,920	6,981
Government transfers	415	535	552	992	657	1,143
<u>Current expenditure</u>	<u>3,451</u>	<u>5,037</u>	<u>6,086</u>	<u>6,282</u>	<u>7,664</u>	<u>7,774</u>
Wages and salaries	906	1,265	1,578	1,714	1,886	2,073
Goods and services	2,011	3,047	3,857	3,693	5,173	5,087
Interest	504	685	593	765	503	471
Foreign 1/	451	607	413	573	266	257
Domestic	53	78	181	192	237	214
Current transfers	31	41	58	109	102	143
Public sector	13	23	24	77	58	83
Private sector	18	18	34	32	44	61
<u>Current surplus or deficit (-)</u>	<u>29</u>	<u>350</u>	<u>486</u>	<u>910</u>	<u>-87</u>	<u>350</u>
<u>Capital revenue</u>	<u>539</u>	<u>1,074</u>	<u>1,658</u>	<u>2,207</u>	<u>2,438</u>	<u>1,540</u>
Of which: public sector transfers	523	1,062	1,796	2,357	2,475	1,500
<u>Capital expenditure</u>	<u>1,278</u>	<u>2,491</u>	<u>3,495</u>	<u>4,304</u>	<u>3,908</u>	<u>2,824</u>
Capital formation	1,069	2,078	2,783	3,621	3,426	2,329
Capital transfers	151	150	272	334	221	140
Public sector	151	150	271	332	221	139
Private sector	--	--	1	1	1	--
Other	58	263	441	349	260	355
<u>Other transfers receipts 2/</u>	<u>71</u>	<u>653</u>	<u>590</u>	<u>988</u>	<u>1,039</u>	<u>1,127</u>
<u>Residual 3/</u>	<u>-1,033</u>	<u>911</u>	<u>420</u>	<u>956</u>	<u>-24</u>	<u>220</u>
<u>Overall balance</u>	<u>-1,672</u>	<u>497</u>	<u>-341</u>	<u>757</u>	<u>-541</u>	<u>413</u>
<u>Financing 4/</u>	<u>1,672</u>	<u>-497</u>	<u>341</u>	<u>-757</u>	<u>541</u>	<u>-413</u>
External (net)	548	424	139	-254	-409	-463
Drawing	169	469	316	286	364	407
Amortization due	-392	-591	-606	-471	-683	-668
Rescheduling	--	253	825	159	--	--
Principal	--	--	419	124	--	--
Interest	--	253	406	35	--	--
Arrears	771	335	--	238	81	--
Principal	349	--	--	--	63	--
Interest	422	335	--	238	19	--
Payment of past arrears	--	-42	-396	-465	-171	-202
Domestic	1,124	-922	202	-503	950	50
<u>Memorandum items</u>						
Current balance before net government transfers	-374	-162	-42	-5	-686	-711
Overall balance before net government transfers	-1,472	-1,580	-2,983	-3,171	-4,434	-3,136

Table 13. Dominican Republic: Operations of the Public Enterprises (Continued)

	1990	1991	1992	1993	1994	Prel. 1995
(In percent of GDP)						
<u>Current revenue</u>	<u>5.8</u>	<u>5.6</u>	<u>5.8</u>	<u>5.9</u>	<u>5.6</u>	<u>5.1</u>
Operating revenue	5.1	5.0	5.3	5.1	5.1	4.4
Government transfers	0.7	0.6	0.5	0.8	0.5	0.7
<u>Current expenditure</u>	<u>5.7</u>	<u>5.2</u>	<u>5.4</u>	<u>5.2</u>	<u>5.6</u>	<u>4.8</u>
<u>Current surplus or deficit (-)</u>	<u>--</u>	<u>0.4</u>	<u>0.4</u>	<u>0.7</u>	<u>-0.1</u>	<u>0.2</u>
<u>Capital revenue</u>	<u>0.9</u>	<u>1.1</u>	<u>1.5</u>	<u>1.8</u>	<u>1.8</u>	<u>1.0</u>
Of which: government transfers	-0.9	1.1	1.6	1.9	1.8	0.9
<u>Capital expenditure</u>	<u>2.1</u>	<u>2.6</u>	<u>3.1</u>	<u>3.5</u>	<u>2.9</u>	<u>1.8</u>
<u>Other transfers receipts 2/</u>	<u>0.1</u>	<u>0.7</u>	<u>0.5</u>	<u>0.8</u>	<u>0.8</u>	<u>0.7</u>
<u>Residual 3/</u>	<u>-1.7</u>	<u>0.9</u>	<u>0.4</u>	<u>0.8</u>	<u>--</u>	<u>0.1</u>
<u>Overall balance</u>	<u>-2.8</u>	<u>0.5</u>	<u>-0.3</u>	<u>0.6</u>	<u>-0.4</u>	<u>0.3</u>
<u>Memorandum items</u>						
Current balance before net government transfers	-0.6	-0.2	--	--	-0.5	-0.4
Overall balance before net government transfers	-2.4	-1.6	-2.6	-2.6	-3.3	-2.0

(In millions of Dominican pesos)

II. Dominican Electricity Corporation (CDE)

<u>Total revenue</u>	<u>1,390</u>	<u>2,539</u>	<u>3,169</u>	<u>3,739</u>	<u>3,941</u>	<u>4,744</u>
Current	1,233	2,269	3,138	3,600	3,851	4,731
Of which: transfers	356	469	471	480	480	930
Capital	157	270	31	139	90	13
Of which: transfers	157	270	31	139	90	--
<u>Total expenditure</u>	<u>1,731</u>	<u>3,016</u>	<u>3,863</u>	<u>4,554</u>	<u>4,714</u>	<u>4,849</u>
Current 5/	1,284	2,025	2,915	3,055	3,689	3,978
Of which: transfers	1	3	2	3	--	--
Capital	447	991	948	1,499	1,025	871
Of which: transfers	--	--	--	--	--	--
<u>Current account balance</u>	<u>-51</u>	<u>244</u>	<u>223</u>	<u>544</u>	<u>161</u>	<u>753</u>
<u>Overall balance</u>	<u>-341</u>	<u>-477</u>	<u>-694</u>	<u>-816</u>	<u>-773</u>	<u>-105</u>

III. State Sugar Council (CEA)

<u>Total revenue</u>	<u>1,034</u>	<u>1,467</u>	<u>1,875</u>	<u>1,500</u>	<u>1,830</u>	<u>1,489</u>
Current	1,024	1,466	1,697	1,202	1,830	1,481
Of which: transfers	--	--	--	10	--	--
Capital	10	1	177	298	--	9
Of which: transfers	2	--	176	298	--	--
<u>Total expenditure</u>	<u>1,059</u>	<u>1,496</u>	<u>1,814</u>	<u>1,440</u>	<u>2,001</u>	<u>1,601</u>
Current 5/	858	1,261	1,591	1,297	1,743	1,539
Of which: transfers	--	1	1	1	1	--
Capital	201	235	223	143	258	61
Of which: transfers	--	--	--	--	--	--
<u>Current account balance</u>	<u>165</u>	<u>205</u>	<u>107</u>	<u>-95</u>	<u>87</u>	<u>-59</u>
<u>Overall balance</u>	<u>-25</u>	<u>-30</u>	<u>60</u>	<u>60</u>	<u>-171</u>	<u>-111</u>

Table 13. Dominican Republic: Operations of the Public Enterprises (Concluded)

	1990	1991	1992	1993	1994	Prel. 1995
IV. Price Stabilization Institute (INESPRE)						
<u>Total revenue</u>	<u>440</u>	<u>495</u>	<u>273</u>	<u>334</u>	<u>235</u>	<u>118</u>
Current	440	495	273	334	235	118
Of which: transfers	--	18	17	41	52	17
Capital	--	--	--	--	--	--
Of which: transfers	--	--	--	--	--	--
<u>Total expenditure</u>	<u>427</u>	<u>486</u>	<u>271</u>	<u>312</u>	<u>263</u>	<u>121</u>
Current 5/	425	483	267	309	259	119
Of which: transfers	--	--	--	--	--	--
Capital	2	3	4	3	4	1
Of which: transfers	--	--	--	--	--	--
<u>Current account balance</u>	<u>15</u>	<u>13</u>	<u>6</u>	<u>25</u>	<u>-24</u>	<u>-1</u>
<u>Overall balance</u>	<u>13</u>	<u>10</u>	<u>2</u>	<u>22</u>	<u>-28</u>	<u>-2</u>
V. Water Companies 6/						
<u>Total revenue</u>	<u>382</u>	<u>854</u>	<u>1,598</u>	<u>2,057</u>	<u>2,322</u>	<u>1,750</u>
Current	81	145	199	240	267	341
Of which: transfers	14	18	23	26	18	26
Capital	301	709	1,398	1,817	2,055	1,409
Of which: transfers	300	708	1,398	1,707	2,054	1,407
<u>Total expenditure</u>	<u>393</u>	<u>849</u>	<u>1,612</u>	<u>2,074</u>	<u>2,263</u>	<u>1,731</u>
Current 5/	87	133	181	229	285	340
Of which: transfers	--	4	6	9	10	12
Capital	306	716	1,432	1,845	1,979	1,391
Of which: transfers	--	--	--	--	--	--
<u>Current account balance</u>	<u>-7</u>	<u>12</u>	<u>19</u>	<u>11</u>	<u>-18</u>	<u>--</u>
<u>Overall balance</u>	<u>-11</u>	<u>5</u>	<u>-15</u>	<u>-17</u>	<u>59</u>	<u>19</u>
VI. Other Small Enterprises 7/						
<u>Total revenue</u>	<u>773</u>	<u>1,107</u>	<u>1,316</u>	<u>1,769</u>	<u>1,688</u>	<u>1,563</u>
Current	703	1,012	1,264	1,816	1,395	1,454
Of which: transfers	36	31	41	435	107	170
Capital	71	95	52	-47	293	109
Of which: transfers	64	85	192	213	332	93
<u>Total expenditure</u>	<u>496</u>	<u>679</u>	<u>991</u>	<u>1,151</u>	<u>1,643</u>	<u>1,680</u>
Current 5/	345	529	720	819	1,422	1,540
Of which: transfers	12	14	16	64	47	71
Capital	323	546	889	814	642	500
Of which: transfers	151	150	271	332	221	139
<u>Current account balance</u>	<u>357</u>	<u>483</u>	<u>545</u>	<u>997</u>	<u>-27</u>	<u>-86</u>
<u>Overall balance</u>	<u>277</u>	<u>428</u>	<u>325</u>	<u>618</u>	<u>45</u>	<u>-117</u>

Sources: National Budget Office (ONAPRE); Central Bank of the Dominican Republic; and Fund staff estimates.

1/ On accrual basis.

2/ Refers to payments made by the Central Government on account of the external debt service of public enterprises.

3/ Reflects the operations of the enterprises referred in footnote 4/; and statistical discrepancies.

4/ Includes Rosario Dominicana, REFIDOMSA and CORDE's Affiliates.

5/ Excludes foreign interest payments.

6/ Refers to the Water and Sewerage Commission for Santo Domingo, the Water and Sewerage Commission for Santiago, and the National Water Institute.

7/ Includes the Corporation of State Enterprises (CORDE); the Port Authority; the Agricultural Bank; the Airport Commission; the Workers Savings Bank; the Cooperative Development and Credit Institute; the Industrial Development Corporation; the Cotton Institute; Dominican Radio and Television; the National Lottery; and the Government Post Office.

Table 14. Dominican Republic: Private Sector Claims on the Financial System

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
Total private sector claims	23,166	31,585	39,064	44,611	49,233	60,153
Money and quasi-money	17,021	22,962	28,839	34,321	37,637	4,745
Money	7,092	9,054	10,442	13,066	13,364	16,518
Currency in circulation	3,719	4,585	5,926	6,919	7,692	8,991
Demand deposits	3,373	4,468	4,516	6,147	5,672	7,527
Quasi-money	9,929	13,908	18,397	21,255	24,273	28,227
Specialized deposits	263	83	94	73	197	39
Time and savings deposits	7,360	10,770	14,653	18,727	21,061	24,561
Bonds	2,306	3,056	3,650	2,456	3,015	3,627
Other liabilities 1/	3,331	4,844	6,169	6,077	6,511	9,595
Private capital and surplus	2,814	3,779	4,057	4,213	5,084	5,814
(In percent of GDP) 2/						
Total private sector claims	32.0	28.4	31.3	34.3	34.4	34.1
Money and quasi-money	23.2	20.8	23.0	25.9	26.4	25.7
Money	9.3	8.4	8.6	9.6	9.7	9.3
Currency in circulation	4.9	4.3	4.7	5.3	5.4	5.2
Demand deposits	4.4	4.1	4.0	4.4	4.3	4.1
Quasi-money	13.8	12.4	14.3	16.3	16.7	16.4
Specialized deposits	0.6	0.2	0.1	0.1	0.1	0.1
Time and savings deposits	9.9	9.4	11.3	13.7	14.6	14.2
Bonds	3.3	2.8	3.0	2.5	2.0	2.1
Other liabilities 1/	5.0	4.2	4.9	5.0	4.6	5.0
Private capital and surplus	3.8	3.4	3.5	3.4	3.4	3.4
(Percentage change from preceding end of year)						
Total private sector claims	26.7	36.3	23.7	14.2	10.4	22.2
Money and quasi-money	30.6	34.9	25.6	19.0	9.7	18.9
Money	41.4	27.7	15.3	25.1	2.3	23.6
Currency in circulation	39.6	23.3	29.2	16.8	11.2	16.9
Demand deposits	43.5	32.5	1.1	36.1	-7.7	32.7
Quasi-money	23.8	40.1	32.3	15.5	14.2	16.3
Specialized deposits	-42.3	-68.5	14.1	-22.8	170.2	-80.1
Time and savings deposits	32.8	46.3	36.0	27.8	12.5	16.6
Bonds	14.1	32.5	19.4	-32.7	22.8	20.3
Other liabilities 1/	4.9	45.4	27.3	-1.5	7.1	47.4
Private capital and surplus	35.6	34.3	7.4	3.8	20.7	14.3

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Includes deposits against certain letters of credit subject to prepayment, some private and public sector deposits for overdue drafts, collections and direct payments awaiting delivery of foreign exchange by the Central Bank, and private funds administered by the investment companies.

2/ Claims are defined as the average stock of two consecutive years.

Table 15. Dominican Republic: Changes in Financial System Credit by Origin, Destination, and Financing

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
Total credit	5,286	3,051	3,835	3,422	10,294	9,584
Origin	5,286	3,051	3,835	3,422	10,294	9,584
Central Bank	2,438	-382	-3,194	588	5,203	3,006
Reserves Bank	-24	-857	768	-198	1,615	501
Private commercial banks	1,677	2,466	4,521	2,342	2,912	4,808
Nonbank financial intermediaries	1,252	1,377	1,295	149	1,800	830
Other 1/	-58	447	445	541	-1,235	439
Destination	5,286	3,051	3,835	3,422	10,294	9,584
Public sector (net)	816	-2,362	-2,661	-106	4,254	171
Central Government (net)	-59	-1,670	-1,983	827	3,139	-586
Other public sector (net)	875	-692	-679	-932	1,116	758
Private sector	3,346	3,541	5,860	3,945	4,645	6,006
Other 2/	1,125	1,872	636	-417	1,395	3,407
Financing	5,286	3,051	3,835	3,422	10,294	9,584
Liabilities to private sector	4,882	8,419	7,480	5,547	4,622	10,921
Net international reserves						
(increase -) 3/	-306	-4,903	-1,671	-2,165	-6,422	-1,622
Medium- and long-term foreign liabilities 4/	710	-464	-1,973	40	-749	285
(Share of credit expansion)						
Origin	100.0	100.0	100.0	100.0	100.0	100.0
Central Bank	46.1	-12.5	-83.3	17.2	50.5	31.4
Reserves Bank	-0.5	-28.1	20.0	-5.8	15.7	5.2
Private commercial banks	31.7	80.8	117.9	68.4	28.3	50.2
Nonbank financial intermediaries	23.7	45.1	33.8	4.4	17.5	8.7
Other 1/	-1.1	14.6	11.6	15.8	-12.0	4.6
Destination	100.0	100.0	100.0	100.0	100.0	100.0
Public sector	15.4	-77.4	-69.4	-3.1	41.3	1.8
Private sector	63.3	116.1	152.8	115.3	45.1	62.7
Other 2/	21.3	61.4	16.6	-12.2	13.6	35.5
(Percentage change) 5/						
Net domestic credit	28.9	13.2	12.1	8.8	23.1	19.5
Public sector	4.5	-10.2	-8.4	-0.3	9.5	0.3
Private	18.3	15.3	18.6	10.1	10.4	12.2
Liabilities to private sector	26.7	36.3	23.7	14.2	10.4	22.2

Sources: Central Bank of the Dominican Republic, and Fund staff estimates.

1/ Includes intrasystem float and valuation changes.

2/ Includes official capital and surplus, nonmonetary international organizations, net unclassified assets, intrasystem float, and valuation changes

3/ Based on average annual exchange rates.

4/ Based on average annual exchange rates. Includes changes in stocks resulting from debt reduction and a restructuring agreement with the foreign commercial banks in 1994.

5/ Changes in relation to the outstanding stocks of liabilities to the private sector at the beginning of the period.

Table 16. Dominican Republic: Nominal Interest Rates of Commercial Banks ^{1/}

	Mar.	Jun.	Sept.	Dec.
1991				
Lending rates				
0-90 days	43.0	40.3	36.6	34.4
91-181 days	43.0	40.2	33.5	35.9
181-360 days	43.0	40.9	35.2	34.4
Over 1 year	43.0	32.7	22.4	37.4
Deposit rates ^{2/}				
Up to 90 days	...	...	...	...
Up to 180 days	18.0	24.4	21.4	18.5
Up to 360 days	24.0	28.0	22.2	15.3
Over one year	36.0	18.2	22.5	16.7
1992				
Lending rates				
0-90 days	32.9	24.8	28.9	29.7
91-181 days	33.7	26.8	29.6	29.3
181-360 days	35.1	27.0	29.6	30.7
Over one year	34.7	23.3	28.7	26.2
Deposit rates ^{2/}				
Up to 90 days	...	...	...	16.7
Up to 180 days	15.0	14.7	17.8	17.0
Up to 360 days	15.5	15.1	18.6	20.8
Over one year	14.0	15.7	14.9	...
1993				
Lending rates				
0-90 days	31.0	29.0	26.9	24.9
91-181 days	31.2	31.4	28.3	26.7
181-360 days	32.0	31.1	29.2	27.2
Over one year	28.7	32.1	30.5	27.7
Deposit rates ^{2/}				
Up to 90 days	17.5	16.5	12.6	12.0
Up to 180 days	15.3	14.8	11.5	8.3
Up to 360 days	19.2	15.9	10.8	10.1
Over one year	...	14.4	...	...
1994				
Lending rates				
0-90 days	25.2	25.5	28.4	30.2
91-181 days	26.4	26.8	28.7	30.2
181-360 days	27.2	27.0	29.1	30.9
Over one year	28.0	28.1	32.3	32.6
Deposit rates ^{2/}				
Up to 90 days	12.0	12.6	14.2	16.7
Up to 180 days	9.8	12.9	14.7	18.0
Up to 360 days	10.2	11.2	15.6	...
Over one year	...	12.9	...	...
1995				
Lending rates				
0-90 days	30.3	30.5	29.0	28.0
91-181 days	31.2	30.4	29.7	30.0
181-360 days	31.2	31.2	29.3	28.4
Over one year	33.2	32.8	30.9	31.5
Deposit rates ^{2/}				
Up to 90 days	16.9	15.7	16.3	14.5
Up to 180 days	14.7	14.8	13.8	13.1
Up to 360 days	14.0	17.7	...	...
Over one year	...	...	...	...

Source: Central Bank of the Dominican Republic.

^{1/} Monthly weighted average rates.

^{2/} Rates paid on certificates of deposit.

Table 17. Dominican Republic: Summary Balance of Payments

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of U.S. dollars; unless otherwise indicated)						
Current account	-165	-106	-489	-89	-144	173
Trade balance	1,058	-1,070	-1,612	-1,608	-1,949	-1,964
Exports, f.o.b.	735	658	563	511	644	743
Imports, f.o.b.	-1,793	-1,729	-2,175	-2,118	-2,593	-2,707
Net services	523	577	691	1,077	1,297	1,607
Credits	1,294	1,388	1,610	1,967	2,192	2,638
Of which: tourism	837	858	1,029	1,239	1,428	1,638
free trade zones	196	250	306	401	441	500
Debits	-772	-811	-919	-891	-895	-1,031
Of which: interest	-311	-295	-246	-200	-165	-228
Net transfers	371	387	432	442	508	530
Private	315	330	347	362	439	451
Official	56	57	85	80	69	78
Capital account	-307	147	398	112	-197	-62
Public sector	-302	-134	-124	-67	-86	-18
Medium and long term	-291	-133	-124	-92	-84	-17
Short term	-11	--	...	26	-2	--
Private sector	-44	292	532	220	-150	-38
Direct investment	133	145	180	183	190	199
Other (including errors and omissions)	-177	147	352	37	-339	-236
Commercial banks (net)	40	-11	-10	-41	39	-7
Overall balance	-472	41	-92	23	-341	111
Financing	472	-41	92	-23	341	-111
Net foreign assets	-76	-380	-124	-132	470	-119
Gross reserves	54	-358	-64	-156	387	-113
Liabilities	-130	-23	-60	24	83	-6
Use of Fund credit (net)	-48	14	36	63	4	-30
Reserve arrears	111	-32	-92	-21	-13	-1
Of which: IMF	...	-26	...	...	...	...
Other liabilities	-194	-5	-4	-18	93	25
Valuation adjustment on reserves	-36	28	2	1	-12	-4
Arrears (reduction -) 1/	520	-663	-29	-3	55	1
Debt refinancing 2/	63	974	242	111	...	11
Discount	...	...	...	...	...	...
Debt buyback 3/	...	...	...	...	-172	...
Memorandum items						
Nominal GDP (US\$)	6,259	7,642	8,990	9,749	10,688	12,035
Current account/GDP	-2.6	-1.4	-5.4	-0.9	-1.4	1.4
Trade balance/GDP	-16.9	-14.0	-17.9	-16.5	-18.2	-16.3
Gross official reserves	69	426	490	646	259	372
(in months of imports)	0.5	3.0	2.7	3.7	1.2	1.7
(in months of debt service and petroleum imports)	0.6	5.0	6.1	8.8	3.4	4.1
Stock of arrears 4/	1,494	779	627	1,257	217	217
Stock of debt (end of period) 5/	4,499	4,611	4,413	4,559	3,918	3,992
(Percentage change)						
Export volume	-9.7	-6.7	-4.5	-3.5	-1.2	1.3
Import volume	-12.5	-0.7	24.8	0.5	14.7	-0.9
Terms of trade	-15.6	-1.1	-11.2	-2.9	19.6	8.0
Import value	-8.7	-3.6	25.8	-2.6	22.4	4.4

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ On all external debt, except reserve liabilities, including short term.

2/ For 1995 refers to debt rescheduling of obligations to the Venezuelan Investment Fund.

3/ Payments of US\$172 million for interest and principal collateral and debt buyback in 1994.

4/ The large increase in the stock of arrears in 1993 reflects reclassification of debt servicing and revised calculations of interest past due to commercial banks and the large decline in 1994 reflects the debt restructuring operation with commercial banks. Excludes unpaid obligations that are due in December and are paid during January the following year.

5/ Total public sector debt, including short-term credits, reserve liabilities and all unpaid debt service due.

Table 18. Dominican Republic: Exports by Principal Commodity Groups

	1990	1991	1992	1993	1994	Prel. 1995
(Value in millions of U.S. dollars; volume in thousands of metric tons or troy ounces; and unit value in U.S. dollars per volume unit)						
Total exports, f.o.b.	734.6	658.3	562.5	510.9	644.0	742.7
Major agricultural exports	292.0	264.5	221.4	229.7	285.9	297.6
Raw sugar						
Volume (U.S. quota)	249.0	252.7	225.0	225.4	309.6	196.2
Unit value (\$/100 lbs.)	20.6	20.6	19.3	18.9	16.2	20.1
Value	113.1	114.8	96.1	94.2	114.6	87.0
Volume (free market)	105.9	66.2	95.8	82.0	8.4	46.1
Unit value (\$/100 lbs.)	12.6	11.9	8.9	9.6	11.6	14.9
Value	29.5	17.4	18.8	17.4	2.4	15.2
Total volume (metric tons)	354.9	318.9	320.8	307.4	318.0	242.3
Total value	142.7	132.3	114.9	111.6	117.0	102.3
Refined sugar and by-products	34.8	34.8	28.1	31.5	27.7	29.9
Unprocessed coffee						
Volume	31.9	28.2	21.5	20.6	20.3	27.2
Unit value (\$/100 lbs.)	66.1	69.6	52.9	58.1	140.1	134.1
Value	46.5	43.3	25.1	26.4	62.7	80.6
Processed coffee	0.1	0.2	1.0	0.2	0.5	0.5
Raw cocoa						
Volume	45.8	40.6	43.5	45.0	51.1	49.4
Unit value (\$/100 lbs.)	40.8	35.0	33.3	33.0	46.0	49.4
Value	41.3	31.4	32.0	32.8	51.9	53.9
Processed cocoa	4.7	3.4	3.2	3.3	3.8	4.7
Tobacco leaf						
Volume	15.1	10.8	9.3	12.5	7.1	8.5
Unit value (\$/100 lbs.)	48.7	57.4	55.0	54.4	74.3	77.6
Value	16.2	13.7	11.3	15.0	11.6	14.6
Tobacco products	5.7	5.4	5.8	8.9	10.7	11.1
Major mineral products	306.6	260.6	205.3	132.2	201.6	273.0
Bauxite						
Volume	76.5	30.3	--	--	--	--
Unit value (\$/100 lbs.)	6.7	6.9	--	--	--	--
Value	0.5	0.2	--	--	--	--
Ferronickel						
Volume	78.1	75.0	70.3	65.3	81.7	73.8
Unit value (tons)	3,189.1	2,944.0	2,550.5	1,963.2	2,237.7	3,029.7
Value	249.1	220.8	179.3	128.2	182.8	223.5
Gold						
Volume (troy ounces)	140.0	101.6	70.6	11.8	44.9	119.7
Unit value	382.9	362.2	344.4	322.0	387.1	384.6
Value	53.6	36.8	24.3	3.8	17.4	46.1
Silver alloy						
Volume (troy ounces)	734.9	705.9	434.0	53.3	282.9	632.3
Unit value	4.7	4.0	3.9	3.8	5.4	5.4
Value	3.5	2.8	1.7	0.2	1.5	3.4
Other exports	136.0	133.2	135.8	149.0	156.5	172.1

Table 18. Dominican Republic: Exports by Principal Commodity Groups (Concluded)

	1990	1991	1992	1993	1994	Prel. 1995
(Value as a percent of total)						
<u>Agricultural exports</u>	<u>39.7</u>	<u>40.2</u>	<u>39.4</u>	<u>45.0</u>	<u>44.4</u>	<u>40.1</u>
Raw sugar	19.4	20.1	20.4	21.9	18.2	13.8
U.S. quota	15.4	17.4	17.1	18.4	17.8	11.7
Free market	4.0	2.6	3.3	3.4	0.4	2.0
Refined sugar and by-products	4.7	5.3	5.0	6.2	4.3	4.0
Unprocessed coffee	6.3	6.6	4.5	5.2	9.7	10.8
Processed coffee	--	--	0.2	--	0.1	0.1
Raw cocoa	5.6	4.8	5.7	6.4	8.1	7.3
Processed cocoa	0.6	0.5	0.6	0.6	0.6	0.6
Tobacco leaf	2.2	2.1	2.0	2.9	1.8	2.0
Tobacco products	0.8	0.8	1.0	1.7	1.7	1.5
<u>Major mineral products</u>	<u>41.7</u>	<u>39.6</u>	<u>36.5</u>	<u>25.9</u>	<u>31.3</u>	<u>36.8</u>
Bauxite	0.1	--	--	--	--	--
Ferronickel	33.9	33.5	31.9	25.1	28.4	30.1
Gold	7.3	5.6	4.3	0.7	2.7	6.2
Silver alloy	0.5	0.4	0.3	--	0.2	0.5
<u>Other exports</u>	<u>18.5</u>	<u>20.2</u>	<u>24.1</u>	<u>29.2</u>	<u>24.3</u>	<u>23.2</u>
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
(Percentage change in value)						
<u>Agricultural exports</u>	<u>-8.5</u>	<u>-9.4</u>	<u>-16.3</u>	<u>3.7</u>	<u>24.5</u>	<u>4.1</u>
Raw sugar	-9.2	-7.3	-13.1	-2.8	4.8	-12.6
U.S. quota	28.9	1.5	-16.3	-1.9	21.7	-24.1
Free market	-57.4	-41.0	8.0	-7.4	-86.1	528.9
Refined sugar and by-products	-3.3	--	-19.4	12.0	-12.1	8.3
Unprocessed coffee	-27.1	-6.8	-42.1	5.2	137.6	28.5
Processed coffee	128.0	50.0	484.8	-80.0	141.0	8.5
Raw cocoa	-4.0	-24.1	2.0	2.5	58.3	3.8
Processed cocoa	-4.1	-26.9	-6.7	3.1	14.7	24.1
Tobacco leaf	53.0	-15.4	-17.4	32.7	-22.6	26.1
Tobacco products	57.7	-5.3	7.1	53.4	20.1	3.4
<u>Major mineral products</u>	<u>-30.7</u>	<u>-15.0</u>	<u>-21.2</u>	<u>-35.6</u>	<u>52.5</u>	<u>35.4</u>
Bauxite	-43.3	-59.6	-100.0	--	--	--
Ferronickel	-33.0	-11.3	-18.8	-28.5	42.6	22.3
Gold	-18.7	-31.3	-34.0	-84.4	357.1	165.2
Silver alloy	-8.7	-19.0	-39.5	-88.2	658.5	124.2
<u>Other exports</u>	<u>-16.5</u>	<u>-2.1</u>	<u>2.0</u>	<u>9.7</u>	<u>5.0</u>	<u>10.0</u>
<u>Total</u>	<u>-20.5</u>	<u>-10.4</u>	<u>-14.6</u>	<u>-9.2</u>	<u>26.1</u>	<u>15.3</u>

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

Table 19. Dominican Republic: Imports, f.o.b.

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of U.S. dollars)						
<u>Total imports</u>	<u>1,792.8</u>	<u>1,728.8</u>	<u>2,174.6</u>	<u>2,118.4</u>	<u>2,593.2</u>	<u>2,706.7</u>
Petroleum and derivatives	516.5	436.8	487.8	453.0	521.4	603.9
Volume (millions of barrels)	23.1	22.0	25.9	26.4	32.1	33.8
Price (US\$/barrel)	22.4	19.9	18.8	17.2	16.2	17.9
Coal	5.0	11.7	13.0	10.3	4.1	2.4
INESPRE (rice and basic foodstuffs)	52.3	51.9	11.3	11.6	5.4	3.4
Refined sugar	...	...	...	...	...	26.0
Other (includes Molinos Dominicanos)	1,219.0	1,228.4	1,662.5	1,643.5	2,062.3	2,071.0
(In percent of total)						
<u>Total imports</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Petroleum and derivatives	28.8	25.3	22.4	21.4	20.1	22.3
Coal	0.3	0.7	0.6	0.5	0.2	0.1
INESPRE	2.9	3.0	0.5	0.5	0.2	0.1
Refined sugar	...	...	...	...	...	1.0
Other	68.0	71.1	76.5	77.6	79.5	76.5
(Percentage change)						
<u>Total imports</u>	<u>-8.7</u>	<u>-3.6</u>	<u>25.8</u>	<u>-2.6</u>	<u>22.4</u>	<u>4.4</u>
Petroleum and derivatives	27.5	-15.4	11.7	-7.1	15.1	15.8
Coal	-77.3	134.0	11.1	-20.8	-60.2	-41.5
INESPRE	-4.0	-0.8	-78.2	2.7	-53.4	-37.0
Refined sugar	...	...	...	...	...	...
Other	-17.8	0.8	35.3	-1.1	25.5	0.4

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

Table 20. Dominican Republic: Net International Reserves

(In millions of U.S. dollars)

	December 31					Prel. 1995
	1990	1991	1992	1993	1994	
Total	-143.1	248.5	382.2	555.1	46.4	168.0
Central Bank	-197.8	182.5	306.0	437.8	-31.8	87.4
Assets	68.7	426.2	489.7	645.7	259.1	372.3
Gold	6.9	6.6	6.1	7.0	6.9	7.1
Sight deposits and currency	30.8	388.2	338.5	323.2	114.2	197.4
Time deposits	31.0	31.3	145.0	298.8	134.3	167.3
SDR holdings	...	0.1	0.1	16.7	3.7	0.5
Liabilities	-266.5	-243.7	-183.7	-207.9	-290.9	-284.9
Arrears	-26.5	-24.6	-13.7	-0.4	-0.2	-0.2
Multilateral credit agreements	-0.7	-4.2	-3.3	-0.6	-0.6	-0.6
Bilateral credit agreements	-111.4	-81.3	...	...	...	...
Santo Domingo agreement	-11.8	-11.8	-11.8	-5.4	-0.5	--
Use of IMF credit	-73.2	-87.3	-123.1	-186.1	-189.6	-159.7
Central Banks	-12.9	-13.0	-13.0	-13.0	...	...
Foreign commercial banks	...	...	...	...	...	-31.8
Central Bank of Venezuela	...	...	...	...	-16.0	...
Other 1/	-30.0	-21.5	-18.8	-2.4	-84.0	-92.6
Commercial banks 2/	54.7	66.0	76.2	117.3	78.2	80.6
Assets	124.3	130.9	134.0	158.7	140.7	150.9
Liabilities	-69.6	-64.9	-57.9	-41.4	-62.5	-70.3

Source: Central Bank of the Dominican Republic.

1/ Includes obligations to BLADDEX and special deposits for the acquisition of foreign exchange.

2/ Includes the Reserves Bank.

Table 21. Dominican Republic: Exchange Rates

(In Dominican pesos per U.S. dollar)

	Official Rate			Private Market 1/		Interbank Market		Parallel Market
	Buy	Sell 2/	Midpoint Rate	Buy	Sell	Buy	Sell	
1991								
January	11.31	11.61	11.46	12.79	13.31	13.05		
February	12.01	12.32	12.16	14.47	14.75	14.30	14.84	14.57
March	12.67	13.00	12.83	13.20	13.69	13.13	13.72	13.42
April	12.67	13.00	12.83	12.49	12.73	12.48	12.77	12.62
May	12.67	13.00	12.83	12.70	12.86	12.63	12.96	12.79
June	12.67	13.00	12.83	12.63	12.78	12.56	12.76	12.66
July	12.51	12.82	12.66	12.51	12.72	12.50	12.76	12.63
August	12.50	12.81	12.65	12.47	12.61	12.43	12.71	12.57
September	12.50	12.81	12.65	12.48	12.62	12.43	12.73	12.58
October	12.50	12.81	12.65	12.46	12.60	12.47	12.76	12.61
November	12.50	12.81	12.65	12.46	12.62	12.53	12.80	12.66
December	12.50	12.78	12.64	12.48	12.62	12.49	12.67	12.58
1992								
January	12.50	12.75	12.62	12.46	12.58	12.45	12.60	12.52
February	12.50	12.75	12.62	12.48	12.62	12.52	12.74	12.63
March	12.50	12.75	12.62	12.58	12.70	12.60	12.81	12.7
April	12.50	12.75	12.62	12.65	12.74	12.65	12.87	12.76
May	12.50	12.75	12.62	12.68	12.77	12.70	12.92	12.81
June	12.50	12.75	12.62	12.70	12.80	12.81	13.01	12.91
July	12.50	12.75	12.62	12.72	12.83	12.69	12.83	12.76
August	12.50	12.75	12.62	12.63	12.75	12.66	12.79	12.72
September	12.50	12.75	12.62	12.55	12.65	12.60	12.73	12.66
October	12.50	12.75	12.62	12.49	12.59	12.55	12.68	12.61
November	12.50	12.75	12.62	12.47	12.56	12.53	12.66	12.59
December	12.50	12.75	12.62	12.47	12.55	12.49	12.62	12.55
1993								
January	12.50	12.75	12.62	12.45	12.53	12.46	12.60	12.53
February	12.50	12.75	12.62	12.47	12.54	12.50	12.63	12.56
March	12.50	12.75	12.62	12.47	12.55	12.48	12.60	12.54
April	12.50	12.75	12.62	12.46	12.55	12.47	12.59	12.53
May	12.50	12.75	12.62	12.47	12.54	12.49	12.59	12.54
June	12.50	12.75	12.62	12.48	12.54	12.49	12.60	12.54
July	12.50	12.75	12.62	12.49	12.57	12.51	12.62	12.56
August	12.50	12.75	12.62	12.51	12.60	12.58	12.72	12.65
September	12.50	12.75	12.62	12.52	12.62	12.57	12.73	12.65
October	12.50	12.75	12.62	12.54	12.63	12.60	12.77	12.68
November	12.50	12.75	12.62	12.55	12.64	12.66	12.83	12.74
December	12.50	12.75	12.62	12.53	12.63	12.65	12.79	12.72
1994								
January	12.50	12.75	12.62	12.53	12.62	12.69	12.84	12.76
February	12.50	12.75	12.62	12.50	12.61	12.81	12.95	12.88
March	12.50	12.72	12.61	12.53	12.63	12.89	13.03	12.96
April	12.50	12.69	12.59	12.59	12.09	12.92	13.06	12.99
May	12.50	12.69	12.59	12.59	12.72	12.94	13.15	13.04
June	12.50	12.69	12.59	12.65	12.76	12.88	13.03	12.95
July	12.50	12.69	12.59	12.70	12.81	12.92	13.07	12.99
August	12.50	12.69	12.59	12.78	12.93	12.98	13.14	13.06
September	12.79	12.98	12.88	12.98	13.11	13.13	13.32	13.22
October	12.87	13.06	12.96	13.36	13.51	13.34	13.65	13.49
November	12.87	13.06	12.96	13.42	13.55	13.35	13.58	13.46
December	12.87	13.06	12.96	13.08	13.55	12.93	13.16	13.04
1995								
January	12.87	13.06	12.96	13.09	13.17	13.07	13.26	13.17
February	12.87	13.06	12.96	13.34	13.46	13.26	13.43	13.35
March	12.87	13.06	12.96	13.44	13.55	13.39	13.56	13.48
April	12.87	13.06	12.96	13.48	13.59	13.42	13.58	13.50
May	12.87	13.06	12.96	13.54	13.65	13.53	13.70	13.62
June	12.87	13.06	12.96	13.61	13.71	13.59	13.74	13.67
July	12.87	13.06	12.96	13.66	13.77	13.65	13.79	13.72
August	12.87	13.06	12.96	13.69	13.79	13.65	13.78	13.72
September	12.87	13.06	12.96	13.61	13.75	13.56	13.70	13.63
October	12.87	13.06	12.96	13.59	13.67	13.55	13.67	13.61
November	12.87	13.06	12.96	13.58	13.67	13.53	13.65	13.59
December	12.87	13.06	12.96	13.20	13.45	13.17	13.35	13.26

Source: Central Bank of the Dominican Republic.

1/ The private market was authorized to operate on January 24, 1991 and commenced its operations on January 28, 1991.

2/ From March 7, 1991 to December 18, 1991, the selling rate includes a commission of 2.5 percent. From December 19, 1991 to March 3, 1994 the commission was of 2.0 percent and from March 4, 1994 it has been 1.5 percent.

Table 22. Dominican Republic: External Debt and Official Reserve Liabilities

	1990	1991	1992	1993	1994	Prel. 1995
<u>(In millions of U.S. dollars)</u>						
<u>Total external liabilities</u>	<u>4,499</u>	<u>4,611</u>	<u>4,413</u>	<u>4,559</u>	<u>3,918</u>	<u>3,992</u>
External public- and publicly- guaranteed debt	4,232	4,368	4,229	4,351	3,627	3,708
Central bank reserve liabilities	267	244	184	208	291	285
<u>(In percent of GDP)</u>						
<u>Total external liabilities</u>	<u>71.9</u>	<u>60.3</u>	<u>49.1</u>	<u>46.8</u>	<u>36.7</u>	<u>33.2</u>
External public- and publicly- guaranteed debt	67.6	57.2	47.0	44.6	33.9	30.8
Central bank reserve liabilities	4.3	3.2	2.0	2.1	2.7	2.4
<u>(In percent of exports of goods and nonfactor services, plus net private transfers)</u>						
<u>Scheduled debt-service payments</u>						
(a) Before rescheduling External public- and publicly- guaranteed debt <u>1/</u>	30.8	21.8	16.8	12.7	12.7	13.0
(b) After rescheduling External public- and publicly- guaranteed debt <u>1/</u>	29.8	17.7	14.1	11.6	12.7	13.0
(c) Cash payments	10.7	18.6	15.1	11.7	11.0	12.9
<u>(In millions of U.S. dollars)</u>						
<u>Memorandum items</u>						
Repurchases from the IMF	82.9	19.9	14.5	10.1	8.0	34.0
IMF charges	13.2	8.6	8.9	9.6	11.3	11.4
GDP at market prices	6,259	7,642	8,990	9,749	10,688	12,035
Exports of goods and nonfactor services, plus net private transfers	2,715	2,763	2,951	3,282	3,209	3,745

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Includes amortization of medium- and long-term debt, net amortization of short-term debt, and gross repurchases to the IMF (but excludes amortization of other reserve liabilities of the Central Bank). Calculation of interest due includes interest on reserve liabilities, including IMF charges.

Table 23. Dominican Republic: External Payments Arrears

(In millions of U.S. dollars)

	December 31					1995 1/		
	1990	1991	1992	1993	1994	Principal	Interest	Total
Total arrears	1,479	779	627	1,257	217	74	143	217
Central bank reserve liabilities	205	171	60	25	1	--	--	--
IMF	27	--	--	--	--	--	--	--
Other	178	171	60	25	1	--	--	--
Other short term	5	5	--	--	--	--	--	--
Medium- and long-term multilateral	43	20	20	20	20	7	3	10
IDA	--	--	--	--	--	--	--	--
IDB	12	--	--	--	--	--	--	--
IBRD	11	--	--	--	--	--	--	--
IAIC	--	--	--	--	--	--	--	--
IFAD	2	--	--	--	--	--	--	--
OPEC	18	20	20	20	20	7	3	10
Bilaterals	952	169	10	94	107	25	83	108
Paris Club	734	--	--	74	79	21	79	102
On previously rescheduled debt	308	--	--	41	69	20	78	101
On debt not previously rescheduled	426	--	--	33	11	--	1	1
Other	218	169	10	20	28	4	5	6
Commercial banks	232	360	469	1,050	--	--	--	--
Suppliers and others	42	55	69	68	89	42	58	99

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Debt service obligations more than 30 days past due.

Table 24. Dominican Republic: Sugar Statistics

(Volume in thousands of metric tons; and export unit value in U.S cents per pound)

Year	Production		Distribution		Changes in Stocks	Effective Export Price per Pound
	Sugarcane Milled	Raw Sugar Produced	Exports	Domestic Consumption		
1980	9,056	983	802	202	-21	16.4
1981	10,275	1,075	848	200	27	27.5
1982	11,805	1,247	833	216	198	14.5
1983	11,520	1,174	918	232	24	13.0
1984	10,271	1,130	828	258	44	14.8
1985	8,419	921	655	303	-37	11.0
1986	8,200	876	449	294	133	13.5
1987	8,772	901	550	342	9	10.4
1988	8,375	858	514	352	-8	10.9
1989	7,856	841	491	362	-12	14.7
1990	6,489	511	355	110	46	18.2
1991	6,845	604	319	254	31	18.8
1992	6,857	560	321	229	10	16.2
1993	7,368	587	307	216	51	16.0
1994	6,258	584	318	222	44	17.0
1995	5,199	482	242	226	14	19.0

Sources: Dominican Sugar Institute; and Central Bank of the Dominican Republic.

Table 25. Dominican Republic: Production of Raw Sugar
by the State Sugar Council (CEA)

(In thousands of metric tons)

Year	Volume	Change (In percent)
1970	660	...
1971	705	6.7
1972	710	0.8
1973	768	8.2
1974	790	2.9
1975	825	4.4
1976	840	1.8
1977	641	-23.7
1978	730	13.8
1979	619	-15.2
1980	603	-2.5
1981	694	15.0
1982	701	1.0
1983	731	4.3
1984	635	-13.1
1985	439	-30.8
1986	432	-1.6
1987	361	-16.5
1988	297	-17.8
1989	277	-6.7
1990	266	-4.0
1991	290	9.1
1992	287	-1.1
1993	261	-8.9
1994	252	-3.4
1995	211	-16.3

Source: Dominican Sugar Institute.

Table 26. Dominican Republic: Sugarcane Milled and Production of Raw Sugar by Companies

(Volume in thousands of metric tons; share and recovery rates in percent)

Year	Sugarcane Milled		Production of Raw Sugar		Recovery Rates ^{1/}
	Volume	Share	Volume	Share	
<u>1990</u> ^{2/}	<u>6,489</u>	<u>100.0</u>	<u>511</u>	<u>100.0</u>	<u>7.9</u>
CEA	3,958	61.0	266	52.0	6.7
Central Romana	2,160	33.3	228	44.7	10.6
Vicini	372	5.7	17	3.3	4.5
<u>1991</u>	<u>6,845</u>	<u>100.0</u>	<u>604</u>	<u>100.0</u>	<u>8.8</u>
CEA	3,601	52.6	290	48.0	8.1
Central Romana	2,880	42.1	286	47.4	9.9
Vicini	365	5.3	28	4.6	7.6
<u>1992</u> ^{2/}	<u>6,857</u>	<u>100.0</u>	<u>560</u>	<u>100.0</u>	<u>8.2</u>
CEA	3,935	57.4	287	51.2	7.3
Central Romana	2,792	40.7	246	44.0	8.8
Vicini	130	1.9	27	4.8	20.7
<u>1993</u>	<u>7,369</u>	<u>100.0</u>	<u>587</u>	<u>100.0</u>	<u>8.0</u>
CEA	3,945	53.5	261	44.5	6.6
Central Romana	3,144	42.7	303	51.7	9.7
Vicini	280	3.8	22	3.8	8.0
<u>1994</u>	<u>6,258</u>	<u>100.0</u>	<u>584</u>	<u>100.0</u>	<u>9.3</u>
CEA	3,083	49.3	252	43.2	8.2
Central Romana	2,543	40.6	288	49.3	11.3
Vicini	632	10.1	44	7.5	6.9
<u>1995</u>	<u>5,199</u>	<u>100.0</u>	<u>482</u>	<u>100.0</u>	<u>9.3</u>
CEA	2,584	49.7	211	43.8	8.2
Central Romana	2,160	41.5	233	48.3	10.8
Vicini	455	8.8	38	7.9	8.4

Sources: Dominican Sugar Institute; Central Bank of the Dominican Republic; and Fund Staff estimates.

^{1/} The ratio of raw sugar production to sugar cane milled.

^{2/} Estimated.

Table 27. Dominican Republic: Distribution of Profits of CEA

(In millions of Dominican pesos)

	1971	1972	1973	1974	1975
Total profits <u>1/</u>	9	13	12	53	121
Income tax	3	5	5	21	48
Rehabilitation reserve	2	2	2	13	42
Rehabilitation reserve <u>2/</u>	22	15	16	25	35
Profits for distribution	4	6	5	18	30
Of which: 60 percent to					
Central Government	2	4	3	11	18
40 percent to workers	2	2	2	7	12

Source: The World Bank (1978).

1/ Total profits after the payment of export tax.

2/ Rehabilitation reserve as a percentage of total profits.

Table 28. Dominican Republic: CEA's Cost of Production of Raw Sugar
(U.S. cents per pound)

Year	Cost	Effective Export Price	Gain (+) or Loss (-)
1977	10.3	9.4	-0.9
1980	16.7	16.4	-0.3
1981	15.7	27.5	11.8
1982	13.2	14.5	1.3
1983	13.7	13.0	-0.7
1984	10.9	14.8	3.9
1985	15.5	11.0	-4.5
1986	16.3	13.5	-2.8
1992	20.5	16.2	-4.3
1993	29.0	16.0	-13.0
1995	27.0	19.0	-8.0

Sources: World Markets and Trade; and CEA.

Table 29. Dominican Republic: Allocation Under the U.S. Quota System

Quota Period	Number of Months	World Quota	Dominican Republic Allocation	Quota Share
		(In thousands of metric tons)		(In percent)
10/01/82 to 09/30/83	12	2,624	447	17.0
09/26/83 to 09/30/84	12	2,880	486	16.9
10/01/84 to 11/30/85	14	2,428	406	16.7
12/01/85 to 12/31/86	13	1,678	274	16.3
01/01/87 to 12/31/87	12	910	145	16.0
01/01/88 to 12/31/88	12	959	160	16.7
10/01/89 to 09/30/90	21	2,835	461	16.3
10/01/90 to 09/30/91	12	2,098	358	17.1
10/01/91 to 09/30/92	12	1,385	233	16.8
10/01/92 to 07/31/94	22	2,268	378	16.7
08/01/94 to 09/30/95	14	1,323	219	16.6
10/01/95 to 09/30/96	12	...	310	...

Source: Central Bank of the Dominican Republic.

Table 30. Dominican Republic: Oil Imports by Products and Importers

	1991			1992			1993			1994			1995		
	Volume 1/	Price 2/	Value 3/	Volume 1/	Price 2/	Value 3/	Volume 1/	Price 2/	Value 3/	Volume 1/	Price 2/	Value 3/	Volume 1/	Price 2/	Value 3/
Total	22.2	19.7	436.8	23.6	19.1	489.7	26.4	17.2	453.0	32.1	16.2	521.5	32.8	17.9	609.9
Crude and reconstituted oil	13.7	17.8	243.5	13.7	17.4	237.8	13.3	13.1	231.2	16.1	14.7	237.2	16.2	16.3	264.4
REFIDOMSA	10.2	18.8	192.3	10.9	18.1	196.0	12.0	15.7	187.9	12.1	15.0	181.3	12.0	16.6	198.2
Venezuela	2.4	21.0	52.9	--	--	--	1.1	15.9	17.5	4.4	15.7	69.3	5.8	16.4	95.8
Mexico	7.3	17.8	129.7	7.5	17.7	131.7	10.9	15.6	170.4	7.1	14.7	103.5	6.0	16.8	100.2
Other	0.5	19.1	9.7	3.4	19.0	64.3	--	--	--	0.6	14.0	8.5	0.1	17.1	2.2
Falconbridge	3.5	14.8	51.2	2.8	14.9	41.0	2.9	13.3	38.3	3.5	13.7	47.7	3.7	13.5	57.5
CDE (fuel oil)	--	--	--	--	--	--	0.4	12.9	5.0	0.6	14.2	8.1	0.6	14.9	8.7
Derivatives	8.5	22.8	193.3	12.0	21.1	252.8	11.1	20.9	221.7	16.0	17.8	284.3	17.3	19.4	339.4
REFIDOMSA	6.4	22.5	143.2	9.2	21.1	193.9	9.0	19.1	171.6	13.5	17.4	235.5	13.6	19.2	262.3
Liquid gas of propane (LPG)	1.0	19.2	19.7	1.1	18.7	20.4	1.8	13.3	23.5	2.4	12.7	30.8	2.1	13.9	29.5
Gasoline	1.8	27.3	49.6	2.5	25.1	63.5	2.8	23.0	63.9	3.4	21.0	72.4	4.2	22.7	95.8
AV-TUR	0.3	27.0	6.9	0.6	24.1	15.6	0.5	22.9	11.0	0.3	21.5	5.4	0.4	21.4	8.4
Gas oil	2.0	25.8	52.6	3.1	23.8	74.1	2.9	21.5	61.7	4.8	19.6	94.6	4.6	20.5	94.8
Fuel oil	1.2	11.6	14.3	1.8	11.3	20.3	1.1	10.8	11.6	2.6	12.5	32.2	2.9	15.0	33.7
CDE	0.8	14.9	12.2	0.7	14.1	10.2	--	--	--	--	--	--	--	--	--
Fuel oil	0.2	13.5	3.4	--	--	--	--	--	--	--	--	--	--	--	--
Gas oil	0.6	15.6	8.0	0.7	14.1	10.2	--	--	--	--	--	--	--	--	--
Distributors	0.5	40.9	19.4	0.5	31.1	16.0	0.7	29.2	21.3	1.7	21.8	36.2	2.5	21.9	55.7
Gas oil	0.1	57.0	7.7	--	--	--	--	21.7	1.0	--	--	--	--	--	--
Fuel oil	--	--	--	--	--	--	0.1	10.6	1.0	0.9	14.5	12.0	2.0	18.8	37.2
Asphalt 4/	0.3	21.0	5.8	0.4	15.4	6.2	0.4	17.2	7.2	0.6	16.7	10.3	0.4	18.6	7.9
Jet fuel	--	42.6	1.8	--	63.5	1.6	--	68.4	1.2	--	71.4	1.3	--	72.9	1.8
Lubricant and other	--	114.0	4.2	0.1	94.1	8.2	0.2	70.8	10.9	0.1	82.4	11.9	0.1	76.0	8.8
Other	0.8	22.2	18.3	1.5	20.6	31.9	1.4	20.6	28.9	0.8	15.5	12.6	1.4	15.7	21.4
Gas oil	0.1	27.4	3.3	0.3	23.1	7.1	--	--	--	--	--	--	--	--	--
Fuel oil	--	--	--	0.2	12.0	1.8	--	--	--	--	--	--	--	--	--
LPG (OPUVISA)	0.7	21.3	15.3	1.1	21.1	23.0	1.4	20.6	28.9	0.8	15.5	12.6	1.4	15.7	21.4
Memorandum item															
Total imports by REFIDOMSA, CDE, and OPUVISA	18.1	20.0	362.9	21.8	19.4	423.1	22.8	17.3	393.4	27.8	16.2	437.5	27.5	17.8	490.6

Source: Central Bank of the Dominican Republic.

1/ Millions of barrels. Volumes smaller than 50,000 barrels have been rounded to zero.

2/ U.S. dollars per barrel.

3/ Millions of U.S. dollars.

4/ Includes government imports.

Table 31. Dominican Republic: Sales of Oil Derivatives by REFIDOMSA

(In millions of gallons)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
<u>Total</u>	<u>435</u>	<u>534</u>	<u>596</u>	<u>698</u>	<u>721</u>	<u>739</u>	<u>711</u>	<u>826</u>	<u>873</u>	<u>1,043</u>	<u>1,055</u>
Gasoline	109	133	161	180	192	189	176	189	204	233	260
Leaded	109	133	161	180	192	189	172	178	164	176	189
Unleaded	--	--	--	--	--	--	4	11	40	58	71
Gasoil	107	142	186	208	208	228	208	248	255	306	311
CDE	24	45	62	46	19	39	38	82	91	106	86
Other	83	98	124	162	189	189	170	166	164	200	225
Kerosene	6	9	10	12	12	12	8	8	6	8	6
AV-TUR	21	28	30	34	47	44	51	71	77	75	89
Fuel oil	145	169	154	203	198	213	210	246	242	304	284
CDE	93	129	125	179	176	190	186	219	208	244	219
Other	52	40	30	24	22	23	25	28	34	61	65
GLP gas	47	53	56	61	63	53	56	65	89	116	105
Barrels (millions) <u>1/</u>	10	13	14	17	17	18	17	20	21	25	25

Sources: REFIDOMSA; and the Central Bank of the Dominican Republic.

1/ 42 gallons per barrel.

Table 32. Dominican Republic: Prices of Oil Derivatives at the Pump, 1981-95

	1981-82	1983	1984	1985	1986 <u>1/</u>	1987 <u>2/</u>	1988 <u>3/</u>	1989 <u>4/</u>	1990 <u>5/</u>	1991-94 <u>6/</u>	1995
(In Dominican pesos per gallon) <u>7/</u>											
Gasoline	2.57	2.30	2.95	3.95	3.19	3.00	3.60	6.00	10.67	20.00	20.00
Gasoil	1.15	1.15	2.25	3.95	2.69	2.50	2.50	2.50	6.10	13.70	13.70
Kerosene	0.97	0.97	2.00	3.75	2.75	2.75	2.75	2.75	7.74	18.00	18.00
AV-TUR	1.17	1.17	2.95	4.25	4.25	4.25	4.25	4.25	7.74	18.00	18.00
Fuel oil	0.65	0.75	2.00	3.80	3.80	3.80	2.35	2.35	3.34	5.05	5.05
GLP gas	1.05	1.05	1.28	1.95	1.76	1.76	2.00	2.00	2.39	3.11	5.72 <u>7/</u>
(In U.S. dollars per gallon) <u>8/</u>											
Gasoline	2.04	1.58	1.84	1.40	1.02	1.03	0.94	0.97	1.53	1.63	1.50
Gasoil	0.91	0.79	1.41	1.40	0.86	0.86	0.65	0.41	0.87	1.11	1.03
Kerosene	0.77	0.66	1.25	1.33	0.88	0.95	0.72	0.45	1.11	1.46	1.35
AV-TUR	0.93	0.80	1.84	1.50	1.36	1.46	1.11	1.11	1.11	1.46	1.35
Fuel oil	0.52	0.51	1.25	1.34	1.22	1.31	0.61	0.38	0.48	0.41	0.38
GLP gas	0.83	0.72	0.80	0.69	0.56	0.60	0.52	0.32	0.34	0.25	0.43

Source: Central Bank of the Dominican Republic.

1/ Average February-December.2/ In effect through October.3/ In effect since November 1987.4/ In effect from November 1988.5/ Year average.6/ In effect since October 1990.7/ In effect since January 1995 for domestic use. For industrial use the price is RD\$8.19 per gallon.8/ Valued at the free market selling rate.

Table 33. Dominican Republic: Taxation of Oil Derivatives

	1985	1986	1987	1988	1989	1990
(In Dominican pesos per gallon)						
<u>Tax rate</u>						
Gasoline	1.83	1.08	0.89	1.45	2.05	2.05
Gasoil	2.74	1.42	1.21	1.20	1.20	1.20
Kerosene	2.74	1.74	1.74	1.72	1.72	1.72
AV-TUR	3.07	3.07	3.07	4.55	4.55	4.55
Fuel oil	3.06	3.06	3.06	1.77	1.77	1.77
GLP gas	--	--	--	--	--	--
<u>Subsidies to CDE</u>						
Gasoil	1.02	0.07	1.30	0.50	0.50	0.50
Fuel oil	2.09	2.09	2.95	0.72	0.72	0.72
(In millions of Dominican pesos, unless otherwise specified)						
<u>Gross revenue</u>	<u>1,018</u>	<u>964</u>	<u>948</u>	<u>1,044</u>	<u>1,227</u>	<u>1,260</u>
Gasoline	200	143	143	260	393	387
Gasoil	294	202	225	249	249	273
Kerosene	16	15	16	20	21	21
AV-TUR	63	87	91	156	212	202
Fuel oil	445	517	473	359	351	377
GLP gas	--	--	--	--	--	--
<u>Deductions</u>	<u>-750</u>	<u>-513</u>	<u>-730</u>	<u>-908</u>	<u>-1,174</u>	<u>-1,169</u>
Rebate to REFIDOMSA	-491	-86	-294	-840	-1,330	-1,814
Subsidies to CDE	-211	-271	-388	-137	-135	-145
Other 1/	-48	-156	-48	69	291	790
<u>Net revenue</u>	<u>268</u>	<u>451</u>	<u>219</u>	<u>136</u>	<u>52</u>	<u>91</u>
<u>Net fiscal contribution 2/</u> (Percent of GDP)	<u>3.4</u>	<u>4.9</u>	<u>2.9</u>	<u>0.6</u>	<u>-0.2</u>	<u>-0.9</u>
<u>Memorandum items</u>						
Rebate (millions of RD\$) (d x e)	491	86	294	840	1,330	1,814
Reference price per barrel (US\$) (a)	40.5	40.5	40.5	40.5	40.5	40.5
CIF price per barrel (US\$) (b)	27.9	16.4	18.0	17.5	20.7	22.6
Exchange rate (RD\$ per US\$) (c)	3.2	2.9	3.4	5.2	5.7	6.4
Margin per barrel (RD\$) (d = b x c - a) (d)	47.4	6.8	20.7	50.5	77.5	103.1
Oil barrels (million) (e)	10	13	14	17	17	18

Sources: Secretary of Finance; the Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Includes subsidies for CDE's direct oil imports, LPG gas, CDA's fuel and Government Cement Company's fuel oil. Positive numbers indicate exchange subsidies from the Central Bank and transfers from the Government to REFIDOMSA.

2/ Gross revenue net of rebate.

Table 34. Dominican Republic: Parameters of the Oil Price Differential

	1991	1992	1993	1994	1995
<u>(In U.S. dollars per barrel)</u>					
<u>C.I.F. prices</u>					
Gasoline	28.3	25.6	23.5	22.3	22.0
Gas oil	26.3	24.2	22.2	21.1	21.3
Kerosene/AV-TUR	27.8	24.7	23.7	22.2	22.4
Fuel oil	12.8	12.5	12.2	13.8	16.5
LPG	19.9	18.5	17.3	16.4	18.1
<u>Other charges 1/</u>					
Gasoline	4.9	3.9	3.7	3.9	3.50
Gas oil	4.6	3.8	3.6	3.7	3.44
Kerosene/AV-TUR	4.8	3.8	3.7	3.9	3.55
Fuel oil	2.9	2.5	2.5	2.9	2.94
LPG	3.8	3.2	3.0	3.2	3.10
<u>Official exchange rate</u>	<u>12.4</u>	<u>12.5</u>	<u>12.5</u>	<u>12.6</u>	<u>12.9</u>
<u>(In Dominican pesos per gallon)</u>					
<u>Import parity prices</u>					
Gasoline	9.8	8.8	8.1	7.9	7.8
Gas oil	9.1	8.3	7.7	7.5	7.6
Kerosene/AV-TUR	9.6	8.5	8.2	7.8	8.0
Fuel oil	4.6	4.5	4.4	5.0	6.0
LPG	7.0	6.5	6.0	5.9	6.5
<u>Refinery margin</u>					
Gasoline	-0.3	-0.3	-0.3	-0.3	-0.3
Gas oil	0.4	0.4	0.4	0.4	0.4
Kerosene/AV-TUR	3.1	3.1	3.1	3.1	3.1
Fuel oil	-0.4	-0.4	-0.4	-0.4	-0.4
LPG	2.9	2.9	2.9	2.9	2.9
<u>Prices at the pump</u>					
Gasoline	20.0	20.0	20.0	20.0	20.0
Gas oil	13.7	13.7	13.7	13.7	13.7
Kerosene/AV-TUR	18.0	18.0	18.0	18.0	18.0
Fuel oil	5.1	5.1	5.1	5.1	5.1
LPG	3.1	3.1	3.1	3.1	5.7
<u>Price oil differential</u>					
Gasoline	10.5	11.5	12.2	12.5	12.5
Gas oil	4.2	5.0	5.6	5.8	5.7
Kerosene/AV-TUR	5.3	6.4	6.7	7.1	6.9
Fuel oil	0.8	1.0	1.1	0.5	-0.5
LPG	-6.8	-6.2	-5.8	-5.7	-3.7
<u>(In millions of gallons)</u>					
<u>Sales 2/</u>					
Gasoline	176	189	204	233	260
Gas oil	170	166	164	200	225
Kerosene/AV-TUR	60	79	83	83	95
Fuel oil	25	28	34	61	65
LPG	56	65	89	116	105
<u>(In millions of Dominican pesos)</u>					
<u>Estimated revenue</u>	<u>2,514</u>	<u>3,126</u>	<u>3,493</u>	<u>4,027</u>	<u>4,774</u>
Gasoline	1,850	2,177	2,496	2,904	3,248
Gas oil	708	824	922	1,168	1,284
Kerosene/AV-TUR	315	502	560	586	661
Fuel oil	21	28	37	29	-32
LPG	-379	-405	-521	-660	-386
<u>Actual revenue 3/</u>	<u>1,944</u>	<u>1,870</u>	<u>2,440</u>	<u>3,144</u>	<u>3,234</u>

Sources: REFIDOMSA; Secretary of Finances; Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Refers to the exchange surcharge, the exchange sale commission, insurance premiums, and terminal loading fees.

2/ Excludes sales to CDE.

3/ After payments of the LPG subsidy to OPUVISA, subsidies to CDE, and other refinery charges.

Table 35. Dominican Republic: The Taxation of Oil Products and the Public Finances

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
(In millions of Dominican pesos)											
Central government revenue	2,206	2,527	3,301	4,948	7,679	7,482	12,965	17,118	19,152	20,254	24,891
Central government tax revenue	2,088	2,391	2,944	4,540	5,237	6,220	11,292	15,417	17,793	18,729	22,371
Oil taxes	268	451	219	136	52	91	2,247	2,193	2,783	3,433	3,681
Of which: oil price differential	...	...	...	...	...	...	1,945	1,871	2,440	3,144	3,234
Overall balance of the consolidated public sector	32	435	-486	-419	-15	-1,575	-944	315	-1,474	-3,572	1,831
Overall balance of the public sector	-152	-1,080	-1,029	-1,854	-2,671	-3,036	92	1,504	-357	-4,149	-233
(In percent of GDP)											
Central government revenue	14.1	14.2	14.7	15.1	18.1	12.4	13.5	15.2	15.7	14.9	15.5
Central government tax revenue	13.3	13.4	13.1	13.8	12.4	10.3	11.7	13.7	14.6	13.8	13.9
Oil taxes	1.7	2.5	1.0	0.4	0.1	0.2	2.3	1.9	2.3	2.5	2.3
Of which: oil price differential	--	--	--	--	--	--	2.0	1.7	2.0	2.3	2.0
Overall balance of the consolidated public sector ^{1/}	0.2	2.4	-2.2	-1.3	--	-2.6	-1.0	0.3	-1.2	-2.6	1.1
Overall balance of the public sector	-1.0	-6.1	-4.6	-5.6	-6.3	-5.0	0.1	1.3	-0.3	-3.0	-0.1

1
6
5
1

Sources: Tables 11 and 12 and Statistical Appendix Table 52; ONAPRE; the Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} After grants. Excludes the quasi-fiscal losses of the Central Bank, the operations of REFIDOMSA, the state-owned gold mining company (Rosario Dominicana), and CORDE's affiliates.

Table 36. Dominican Republic: Monetary Instruments

	December					
	1990	1991	1992	1993	1994	1995
(In millions of Dominican pesos)						
<u>Reserves requirements 1/</u>						
Actual reserves	2,503	5,246	3,999	6,114	4,935	6,558
Required reserves	3,601	4,441	3,989	4,969	5,095	6,443
Excess or deficiency of reserves	-1,098	805	11	1,145	-160	115
<u>Advances and rediscounts</u>	617	543	258	220	460	339
Advances	160	160	63	174	174	174
Rediscounts	457	383	195	46	285	164
Commercial banks	431	368	185	39	279	159
Development banks	26	15	10	7	7	6
<u>Central bank certificates of participation</u>	138	646	518	196	743	1,991
Financial system	16	178	16	--	165	842
Private sector	122	468	502	196	578	1,149
<u>Memorandum item</u>						
Liability subject to reserve requirements 2/	10,950	14,400	19,942	24,847	25,477	32,214
(In percent of liabilities subject to reserve requirements)						
<u>Reserves requirements 1/</u>						
Actual reserves	22.9	36.4	20.1	24.6	19.4	20.4
Required reserves	32.9	30.8	20.0	20.0	20.0	20.0
Excess or deficiency of reserves	-10.0	5.6	0.1	4.6	-0.6	0.4
<u>Advances and rediscounts</u>	5.6	3.8	1.3	0.9	1.8	1.1
Advances	1.5	1.1	0.3	0.7	0.7	0.5
Rediscounts	4.2	2.7	1.0	0.2	1.1	0.5
<u>Central bank certificates of participation</u>	1.3	4.5	2.6	0.8	2.9	6.2
Financial system	0.1	1.2	0.1	--	0.6	2.6
Private sector	1.1	3.2	2.5	0.8	2.3	3.6

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Of commercial banks.

2/ Daily average in millions of Dominican pesos.

Table 37. Dominican Republic: Reserve Requirements of Financial Institutions
(As of December 31, 1995)

Financial Institution	Liability Subject to Reserves	Reserve Requirement Rate	Eligible Assets	Remuneration	Period of Calculation
Commercial and multiservice banks	Deposits Demand ^{1/}	20	Deposits with the Central Bank	Regular account, none.	Weekly
	Time and savings Special Financial certificates	10		Special account, 2 percent annually, over 50 percent of the required reserves ^{2/}	
Mortgage banks	Financial certificates	10	Deposits with the Central Bank	2 percent annually, over 50 percent of the required reserves ^{2/}	Every 15 days
	Mortgage bonds	--			
	Certificates of participation	10			
	Time deposits	20			
Development banks	Financial certificates	10	Deposits with the central bank government bonds Up to 45 percent of the required reserves	2 percent annually, over 50 percent of the required reserves ^{2/}	Every 15 days
	Certificates of participation	10			
	Bonds in circulation	20			
	Short term Long term	10			
Financial institutions (Financieras)	Investment certificates	10	Deposits with the Central Bank	2 percent annually, over 50 percent of the required reserves ^{2/}	Monthly
Agricultural Bank	Financial certificates	10	Deposits with the Central Bank	...	Weekly
	Savings deposits	10			
	Time deposits	10			
Savings and loan associations	Financial certificates	--	Deposits with the National Housing Bank (55 percent), Central Bank certificates of participation (45 percent)	6 percent annually, over deposits in the National Housing Bank 14 percent annually, over investments in central bank certificates of participation	Every 15 days
	Savings deposits	10			
	Time deposits	10			
	Participation contracts	--			

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} Excludes checks in transit.

^{2/} Applies only when the institution complies with the required reserves. Excess reserves are not remunerated.

Table 38. Dominican Republic: Legal Reserves of the Commercial Banks 1/

(In millions of Dominican pesos)

	Liabilities Subject to Reserves				Foreign Exchange Claims 2/	Required Reserves				
	Demand Deposits	Time and Savings Deposits	Financial Certi- ficates	Subtotal		Total	Reserves on Deposits 3/	Deductions 4/	Foreign Exchange Claims	Total
December 1990	5,258	2,764	2,498	10,520	430	10,950	3,432	-37	205	3,601
Reserves Bank 5/	2,312	720	430	3,463	186	3,649	1,227		81	1,308
Private banks	2,946	2,044	2,068	7,057	244	7,301	2,205	-37	125	2,293
December 1991 6/	6,338	3,321	4,610	14,268	132	14,400	4,453	-66	54	4,441
Reserves Bank 5/	2,122	1,037	747	3,906	55	3,961	1,309	-30	23	1,302
Private banks	4,216	2,283	3,862	10,362	78	10,439	3,144	-36	31	3,139
December 1992	8,397	4,754	6,792	19,942	--	19,942	3,989	--	--	3,989
Reserves Bank 5/	3,969	1,268	1,023	6,260	--	6,260	1,252	--	--	1,252
Private banks	4,428	3,486	5,769	13,683	--	13,683	2,737	--	--	2,737
June 1993	9,751	5,556	8,961	24,269	--	24,269	4,854	--	--	4,854
Reserves Bank 5/	3,825	1,419	1,631	6,874	--	6,874	1,375	--	--	1,375
Private banks	5,926	4,137	7,331	17,394	--	17,394	3,479	--	--	3,479
December 1993	10,806	6,128	7,913	24,847	--	24,847	4,969	--	--	4,969
Reserves Bank 5/	3,690	1,561	1,703	6,953	--	6,953	1,391	--	--	1,391
Private banks	7,116	4,568	6,210	17,894	--	17,894	3,579	--	--	3,579
June 1994	10,210	6,891	8,055	25,155	--	25,155	5,031	--	--	5,031
Reserves Bank 5/	2,400	1,832	2,009	6,241	--	6,241	1,248	--	--	1,248
Private banks	7,810	5,059	6,046	18,914	--	18,914	3,783	--	--	3,783
December 1994	8,869	6,992	9,616	25,477	--	25,477	5,095	--	--	5,095
Reserves Bank 5/	1,541	1,605	2,371	5,518	--	5,518	1,104	--	--	1,104
Private banks	7,328	5,387	7,245	19,959	--	19,959	3,992	--	--	3,992
June 1995	9,734	8,615	12,180	30,529	--	30,529	6,106	--	--	6,106
Reserves Bank 5/	2,007	2,802	2,643	7,452	--	7,452	1,490	--	--	1,490
Private banks	7,727	5,812	9,537	23,077	--	23,077	4,615	--	--	4,615
December 1995	10,875	8,876	12,464	32,214	--	32,214	6,443	--	--	6,443
Reserves Bank 5/	2,472	1,969	2,588	7,029	--	7,029	1,406	--	--	1,406
Private banks	8,403	6,906	9,876	25,185	--	25,185	5,037	--	--	5,037

	Actual Reserves					Excess (+) or Deficiency (-)	Ratio to Liabilities Subject to Reserves (in percent)		
	Regular Accounts	6/ Special Accounts	Subtotal	Special Deposits	Total		Regular Accounts	Actual Reserves	Legal Reserves 7/
<u>December 1990</u>	<u>1,397</u>	<u>796</u>	<u>2,193</u>	<u>310</u>	<u>2,503</u>	<u>-1,098</u>	<u>13.3</u>	<u>22.9</u>	<u>32.9</u>
Reserves Bank	444	--	444	115	559	-749	12.8	15.3	35.8
Private banks	953	796	1,749	195	1,944	-349	13.5	26.6	31.4
<u>December 1991</u>	<u>3,934</u>	<u>1,204</u>	<u>5,137</u>	<u>109</u>	<u>5,246</u>	<u>805</u>	<u>27.6</u>	<u>36.4</u>	<u>30.8</u>
Reserves Bank	1,168	--	1,168	71	1,239	-64	29.9	31.3	32.9
Private banks	2,766	1,204	3,970	38	4,008	869	26.7	38.4	30.1
<u>December 1992</u>	<u>2,356</u>	<u>1,643</u>	<u>3,999</u>	<u>--</u>	<u>3,999</u>	<u>11</u>	<u>11.8</u>	<u>20.1</u>	<u>20.0</u>
Reserves Bank	788	530	1,318	--	1,318	66	12.6	21.1	20.0
Private banks	1,568	1,113	2,681	--	2,681	-56	11.5	19.6	20.0
<u>June 1993</u>	<u>4,173</u>	<u>2,140</u>	<u>6,313</u>	<u>--</u>	<u>6,313</u>	<u>1,459</u>	<u>17.2</u>	<u>26.0</u>	<u>20.0</u>
Reserves Bank	1,364	676	2,040	--	2,040	665	19.8	29.7	20.0
Private banks	2,809	1,464	4,272	--	4,272	794	16.1	24.6	20.0
<u>December 1993</u>	<u>3,589</u>	<u>2,525</u>	<u>6,114</u>	<u>--</u>	<u>6,114</u>	<u>1,145</u>	<u>14.4</u>	<u>24.6</u>	<u>20.0</u>
Reserves Bank	1,204	680	1,884	--	1,884	493	17.3	27.1	20.0
Private banks	2,386	1,845	4,231	--	4,231	652	13.3	23.6	20.0
<u>June 1994</u>	<u>2,537</u>	<u>2,639</u>	<u>5,176</u>	<u>--</u>	<u>5,176</u>	<u>145</u>	<u>10.1</u>	<u>20.6</u>	<u>20.0</u>
Reserves Bank	576	695	1,271	--	1,271	22	9.2	20.4	20.0
Private banks	1,961	1,944	3,905	--	3,905	122	10.4	20.6	20.0
<u>December 1994</u>	<u>2,477</u>	<u>2,459</u>	<u>4,935</u>	<u>--</u>	<u>4,935</u>	<u>-160</u>	<u>9.7</u>	<u>19.4</u>	<u>20.0</u>
Reserves Bank	321	626	947	--	947	-156	5.8	17.2	20.0
Private banks	2,156	1,832	3,988	--	3,988	-4	10.8	20.0	20.0
<u>June 1995</u>	<u>4,163</u>	<u>3,073</u>	<u>7,236</u>	<u>--</u>	<u>7,236</u>	<u>1,130</u>	<u>13.6</u>	<u>23.7</u>	<u>20.0</u>
Reserves Bank	1,524	800	2,324	--	2,324	834	20.5	31.2	20.0
Private banks	2,638	2,273	4,912	--	4,912	296	11.4	21.3	20.0
<u>December 1995</u>	<u>3,263</u>	<u>3,295</u>	<u>6,558</u>	<u>--</u>	<u>6,558</u>	<u>115</u>	<u>10.1</u>	<u>20.4</u>	<u>20.0</u>
Reserves Bank	565	800	1,365	--	1,365	-41	8.0	19.4	20.0
Private banks	2,698	2,495	5,193	--	5,193	156	10.7	20.6	20.0

Source: Central Bank of the Dominican Republic.

1/ Average of last five days of period.

2/ Bank claims arising from operations in foreign exchange (with the private sector or the public sector) were made subject to 100 percent reserve requirement on September 1, 1980.

3/ Data in this column comprise the effective reserves on deposit liabilities excluding that portion which is satisfied through lending to specific sectors.

4/ Starting September 1981, export financing loans to nontraditional exporters exceeding the level reached at that date can be deducted from legal reserve requirements, up to an amount not in excess of 5 percent of time and saving deposits. Other deductions are also included in this column.

5/ Including public sector deposits.

6/ Includes cash in vault before December 23, 1991.

7/ On December 23, 1991 required reserves of commercial banks were unified at 20 percent.

Table 39. Dominican Republic: Central Bank Certificates of Participation

Date of Issue	Amount Approved (Millions of RD\$)	Annual Interest Rate (In Percent)	Maturity
<u>Total 1990</u>	<u>600</u>		
August	300	30	one year
October	300	36	one year
<u>Total 1991</u>	<u>828</u>		
March	250	38	one year
May	28	12	one year
July	300	24	one year
December	250	20	one year
<u>Total 1992</u>	<u>900</u>		
March	300	16	one year
July	300	16	one year
November	300	14	one year
<u>Total 1993</u>	<u>600</u>		
July	300	10	one year
November	300	10	one year
<u>Total 1994</u>	<u>1500</u>		
March	750	10, 12, and 14	60, 90, and 120 days
September	500	18	one year
November	250	14	one year
<u>Total 1995</u>	<u>1900</u>		
January	300	18	one year
May	800	18	one year
August	800	17	one year

Source: Central Bank of the Dominican Republic.

Table 40. Dominican Republic: Interest Rates for Advances and Rediscounts
(In percent)

Date	Interest Rate
<u>1990</u>	
August	36.0 <u>1/</u>
	30.0 <u>2/</u>
October	43.0 <u>3/</u>
<u>1991</u>	
July	30.0 <u>4/</u>
December	24.0 <u>4/</u>
<u>1992</u>	
March	20.0 <u>4/</u>
November	17.5 <u>4/</u>
<u>1993</u>	
July	16.5 <u>4/</u>
November	14.5 <u>4/</u>
<u>1994</u>	
November	22.5 <u>4/</u>

Source: Central Bank of the Dominican Republic.

1/ On advances and rediscounts to commercial banks including a 24 percent commission.

2/ On advances and rediscounts to development banks including an 18 percent commission.

3/ On advances and rediscounts to all financial institutions including commissions.

4/ On advances and rediscounts to all financial institutions (commissions were eliminated starting in July 1991).

Table 41. Dominican Republic: Participation of Lenders and Equity Investors in Playa Dorada Accommodation Projects

(In millions of U.S. dollars)

Lender/Investor	Amount
<u>Total</u>	<u>71</u>
INFRATUR	10
World Bank	25
Foreign commercial banks	10
Dominican commercial banks	2
Equity investors	24

Source: Central Bank of the Dominican Republic.

Table 42. Dominican Republic: Hotel Capacity in Selected Years

(In number of hotel rooms)

	1980	1985	1990	1995
Total	5,394	8,562	19,431	32,475
National District	2,837	3,018	4,131	5,004
Santo Domingo	2,780	2,941	3,573	3,745
Boca Chica	57	77	558	1,259
Puerto Plata	876	2,061	8,152	11,216
Playa Dorada	482	944	3,300	3,707
Other	394	1,117	4,852	7,509
Maria Trinidad Sanchez	40	161	328	1,120
Playa Grande	--	--	--	350
Other	40	161	328	770
La Altagracia	67	1,028	2,083	7,895
Punta Cana	--	339	589	2,074
Playa Bávaro	--	600	1,349	4,253
Other	67	89	145	1,568
La Romana	998	1,096	1,267	1,439
Other	576	1,199	3,470	5,101

Sources: Secretary of Tourism, Statistical Bulletin; Central Bank of the Dominican Republic; and Fund staff estimates.

Table 43. Dominican Republic: Airport Arrivals of Foreign Visitors in Selected Years

	1980 ^{1/}	1985 ^{1/}	1990	1995
<u>(Thousands of visitors)</u>				
<u>Total</u>	<u>301</u>	<u>497</u>	<u>958</u>	<u>1,525</u>
Airport of the Americas	269	362	547	635
Puerto Plata	12	100	312	509
Punta Cana	--	10	69	340
La Romana	15	18	21	32
Cibao	5	7	9	9
<u>(Share of total in percent)</u>				
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Airport of the Americas	89.4	72.9	57.1	41.6
Puerto Plata	4.0	20.1	32.6	33.4
Punta Cana	--	2.0	7.2	22.3
La Romana	5.0	3.6	2.2	2.1
Cibao	1.7	1.4	0.9	0.6

Sources: Secretary of Tourism, Statistical Bulletin; Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} Arrivals by airport are estimated based on condition of the airport, local hotel capacity, and arrival data for nearby years.

Major Fiscal Measures, January-December 1995

Decree No. 7-95 of January 2, 1995

Imports of containers of liquid gas of propane with a capacity of 25, 50, and 100 pounds are exempted of custom taxes for six months.

Decree No. 23-95 of January 25, 1995

Establishes a tax of US\$10 per passenger on all airlines with scheduled flights from and to the Dominican Republic. Also, a tax of US\$5 per passenger is established on all airlines with charter flights to the Dominican Republic. Air cargo lines will pay a tax of US\$0.03 per pound transported.

Decree No. 37-95 of February 14, 1995

Reduces the tax on air cargo lines to US\$0.02 per pound transported.

Decree No. 55-95 of March 10, 1995

Prohibits the issue of licenses to the owners of vehicles imported in 1994 until they prove either that they paid the corresponding custom taxes or that the car was imported under a special tax regime.

Decree No. 262-95 of November 14, 1995

Licenses to the owners of vehicles referred to in the Decree No. 55-95 would be issued provided that they pay the corresponding custom taxes as established by Law 56-89 of July 7, 1989. These taxes are:

(i) For vehicles model 1990 or newer: of eight cylinders RD\$10,000; of five or six cylinders RD\$7,500; of four cylinders or lower RD\$4,500; and

(ii) For all vehicles model 1989 or older, RD\$3,500.

Decree No. 157-95 of July 22, 1995

Establishes the oil price differential on unleaded gasoline at RD\$8.8 per gallon.

Major Changes in Financial Sector Policies, January-December 1995

The Monetary Board adopted the following measures:

January 13

Established that the financial system institutions not regulated by special laws should provide the Central Bank and the Superintendency of Banks with their financial balances and loan portfolio classification on a monthly basis.

Forbid the distribution of profits in those financial institutions that not complying with prudential regulations.

Commercial and multiservice banks that show reserve requirement deficiencies for three consecutive weeks were forbidden to effect certain foreign exchange operations.

Authorized the Central Bank to continue disbursing loans under the trust funds facilities (FIDE and INFRATUR) except those loans financed by domestic resources.

Established a foreign exchange surrender requirement for commercial and multiservice banks. As these institutions cannot maintain open positions in foreign exchange, they have to surrender (within 48 hours) all their purchases of foreign exchange.

The net credit of the Reserves Bank to the nonfinancial public sector was frozen for one year, at the level outstanding on December 31, 1994.

February 16

Authorized the Central Bank to purchase the (best quality) loan portfolio of those banking and financial institutions that have suffered a run on deposits due to false rumors, provided that these institutions were complying with the prudential regulations.

March 16

Modified the definition of capital and reserves of the banking institutions and multiservice banks to include capital invested in companies providing financial services (such as management of automatic teller machines and credit cards).

July 20

Authorized the commercial and multiservice banks to freely negotiate the interest rate on their foreign exchange deposits.

August 10

Authorized the Central Bank to issue up to RD\$500 million in one year, special certificates of participation to the Dominican oil refinery (REFIDOMSA), at an annual interest rate of 17 percent.

Major Changes in the Exchange and Trade System
January-December 1995

Law 16-95 of November 1995 (Foreign Investment Law)

Broadens the definition of foreign investment and extends to foreign investors the guarantees granted to domestic investors. All sectors of the economy are open to foreign investment, except waste disposal (in case waste comes from abroad), and activities that could affect public health and the

Eliminates all restrictions on profit remittances and capital repatriation.

Decree 7-95 of January 12, 1995

Prohibits persons traveling abroad to carry cash or travelers' checks for a total amount exceeding US\$10,000.

Decree 2-95 of January 20, 1995

The Executive promulgates the endorsement of the Dominican Republic to the World Trade Organization (WTO).

Table 44. Dominican Republic: Gross Domestic Expenditure at Current Prices

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
<u>GDP at market prices</u>	<u>60,305</u>	<u>96,333</u>	<u>112,698</u>	<u>121,808</u>	<u>136,206</u>	<u>160,456</u>
Resource balance	-2,128	-2,078	-6,622	-2,215	-4,176	306
Exports of goods and nonfactor services	18,721	24,698	26,546	30,208	35,296	43,917
Imports of goods and nonfactor services	-20,849	-26,777	-33,168	-32,423	-39,472	-43,612
Gross domestic expenditure	62,433	98,411	119,320	124,024	140,381	160,150
Consumption	46,310	78,826	96,421	97,269	109,502	121,243
Private	43,100	74,511	90,592	89,700	100,541	110,409
Public	3,210	4,316	5,829	7,569	8,961	10,834
Gross capital formation	16,003	19,458	22,749	26,596	30,705	38,698
Private	10,935	14,572	16,229	16,945	17,326	26,836
Public	5,068	4,886	6,520	9,652	13,379	11,863
Change in inventories	120	127	150	158	175	209
(In percent of GDP)						
<u>GDP at market prices</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Resource balance	-3.5	-2.2	-5.9	-1.8	-3.1	0.2
Exports of goods and nonfactor services	31.0	25.6	23.6	24.8	25.9	27.4
Imports of goods and nonfactor services	-34.6	-27.8	-29.4	-26.6	-29.0	-27.2
Gross domestic expenditure	103.5	102.2	105.9	101.8	103.1	99.8
Consumption	76.8	81.8	85.6	79.9	80.4	75.6
Private	71.5	77.3	80.4	73.6	73.8	68.8
Public	5.3	4.5	5.2	6.2	6.6	6.8
Gross capital formation	26.5	20.2	20.2	21.8	22.5	24.1
Private	18.1	15.1	14.4	13.9	12.7	16.7
Public	8.4	5.1	5.8	7.9	9.8	7.4
Change in inventories	0.2	0.1	0.1	0.1	0.1	0.1

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

Table 45. Dominican Republic: Gross Domestic Expenditure at Constant Prices

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos at 1980 prices)						
<u>GDP at market prices</u>	<u>8,437</u>	<u>8,519</u>	<u>9,201</u>	<u>9,477</u>	<u>9,889</u>	<u>10,364</u>
Resource balance	-666	-619	-806	-462	-989	-909
Exports of goods and nonfactor services	1,389	1,459	1,763	2,138	1,920	2,006
Imports of goods and nonfactor services	-2,055	-2,078	-2,569	-2,600	-2,908	-2,915
Gross domestic expenditure	9,103	9,138	10,007	9,939	10,878	11,273
Consumption	8,005	8,207	8,914	8,775	9,654	9,720
Private	6,701	6,916	7,634	7,577	8,550	8,394
Public	1,303	1,291	1,280	1,198	1,104	1,326
Gross capital formation	1,071	880	1,037	1,106	1,162	1,480
Private	908	778	897	905	894	1,263
Public	164	102	140	201	268	217
Change in inventories	27	51	56	58	61	73
(Percentage change from preceding year)						
<u>GDP at market prices</u>	<u>-5.8</u>	<u>1.0</u>	<u>8.0</u>	<u>3.0</u>	<u>4.3</u>	<u>4.8</u>
Resource balance	-35.2	-7.0	30.2	-42.7	114.2	-8.0
Exports of goods and nonfactor services	6.0	5.0	20.8	21.3	-10.2	4.5
Imports of goods and nonfactor services	-12.1	1.1	23.6	1.2	11.9	0.2
Gross domestic expenditure	-8.8	0.4	9.5	-0.7	9.4	3.6
Consumption	-8.3	2.5	8.6	-1.6	10.0	0.7
Private	-9.7	3.2	10.4	-0.7	12.8	-1.8
Public	-0.2	-1.0	-0.8	-6.5	-7.8	20.1
Gross capital formation	-13.0	-17.9	17.9	6.6	5.1	27.4
Private	-10.1	-14.3	15.2	0.9	-1.2	41.3
Public	-26.0	-38.0	38.1	43.1	33.9	-19.1
Change in inventory	-12.8	92.4	8.9	4.8	5.1	19.1

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

Table 46. Dominican Republic: Sectoral Origin of GDP at Current Prices

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
Nominal GDP at market prices	60,305	96,333	112,698	121,808	136,206	160,456
Primary production	10,076	16,299	17,968	17,974	20,626	24,712
Crops	4,356	7,366	8,489	8,650	8,971	10,972
Livestock	3,337	5,359	6,164	6,842	7,320	8,466
Forestry and fishing	402	626	680	711	765	884
Mining	1,982	2,949	2,635	1,770	3,570	4,390
Secondary production	16,961	26,317	33,185	36,676	40,904	46,485
Manufacturing	10,830	17,583	21,344	22,875	25,213	28,152
Sugar	665	1,172	1,222	1,413	1,462	1,384
Other	8,372	13,220	16,508	17,045	18,670	20,797
Free trade zones ^{1/}	1,793	3,191	3,614	4,417	5,081	5,970
Construction	5,222	7,233	9,742	11,256	12,862	15,282
Electricity and water	909	1,501	2,099	2,545	2,830	3,051
Services	33,268	53,717	61,545	67,159	74,675	89,259
Wholesale and retail trade	7,404	11,948	13,873	14,660	15,946	19,466
Hotels and restaurants	2,275	4,088	4,977	6,335	7,805	10,231
Transport	3,742	6,127	7,585	8,343	9,121	10,857
Communications	1,270	2,351	2,978	3,459	4,158	5,572
Financial services	3,563	5,704	6,202	6,445	6,928	7,851
Housing	3,683	5,834	6,368	6,744	7,298	8,343
Government services	5,779	9,041	9,988	10,806	12,010	13,626
Other	5,551	8,624	9,573	10,368	11,409	13,314
(In percent of GDP)						
Nominal GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0
Primary production	16.7	16.9	15.9	14.8	15.1	15.4
Crops	7.2	7.6	7.5	7.1	6.6	6.8
Livestock	5.5	5.6	5.5	5.6	5.4	5.3
Forestry and fishing	0.7	0.6	0.6	0.6	0.6	0.6
Mining	3.3	3.1	2.3	1.5	2.6	2.7
Secondary production	28.1	27.3	29.4	30.1	30.0	29.0
Manufacturing	18.0	18.3	18.9	18.8	18.5	17.5
Sugar	1.1	1.2	1.1	1.2	1.1	0.9
Other	13.9	13.7	14.6	14.0	13.7	13.0
Free trade zones ^{1/}	3.0	3.3	3.2	3.6	3.7	3.7
Construction	8.7	7.5	8.6	9.2	9.4	9.5
Electricity and water	1.5	1.6	1.9	2.1	2.1	1.9
Services	55.2	55.8	54.6	55.1	54.8	55.6
Wholesale and retail trade	12.3	12.4	12.3	12.0	11.7	12.1
Hotels and restaurants	3.8	4.2	4.4	5.2	5.7	6.4
Transport	6.2	6.4	6.7	6.8	6.7	6.8
Communications	2.1	2.4	2.6	2.8	3.1	3.5
Financial services	5.9	5.9	5.5	5.3	5.1	4.9
Housing	6.1	6.1	5.7	5.5	5.4	5.2
Public administration	9.6	9.4	8.9	8.9	8.8	8.5
Other	9.2	9.0	8.5	8.5	8.4	8.3

Sources: Central Bank of the Dominican Republic; and Fund Staff estimates.

^{1/} Only includes wages and salaries.

Table 47. Dominican Republic: Petroleum Statistics

	1990	1991	1992	1993	1994	Prel. 1995
<u>(In millions of U.S. dollars)</u>						
<u>Imports of crude oil and derivatives</u> 1/	<u>517</u>	<u>437</u>	<u>488</u>	<u>453</u>	<u>521</u>	<u>604</u>
Crude oil	225	252	247	231	237	264
Refined derivatives	292	185	241	222	284	339
<u>(In millions of barrels of 42 gallons)</u>						
<u>Imports of crude oil and derivatives</u>	<u>23.1</u>	<u>22.0</u>	<u>25.9</u>	<u>26.4</u>	<u>32.1</u>	<u>33.7</u>
Crude oil	12.1	14.2	14.5	15.3	16.1	16.2
Refined derivatives	11.0	7.8	11.4	11.1	16	17.5
<u>Refinery output</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
<u>Domestic consumption</u>	<u>16.8</u>	<u>16.0</u>	<u>19.7</u>	<u>20.8</u>	<u>24.9</u>	<u>25.2</u>
Gasoline	4.5	4.2	4.5	4.9	5.6	6.2
Diesel	4.5	4.1	5.9	6.1	7.3	7.4
Fuel oil	5.1	5.0	5.9	5.7	7.2	6.8
Kerosene	1.4	1.4	0.2	0.1	2.0	2.3
Liquid petroleum gas	1.3	1.3	1.5	2.1	2.8	2.5
Other oil products	...	...	1.7	1.9	...	...

Source: Central Bank of the Dominican Republic.

1/ Includes crude oil imported by Dominican Electricity Corporation (CDE).

Table 48. Dominican Republic: Consumer Price Index ^{1/}

	1990	1991	1992	1993	1994	1995
(December 1980 = 100)						
<u>Average</u>	<u>760.5</u>	<u>1,118.6</u>	<u>1,166.3</u>	<u>1,227.5</u>	<u>1,328.9</u>	<u>1,495.5</u>
January	604.2	1,070.2	1,153.7	1,223.5	1,255.5	1,447.3
February	608.2	1,110.1	1,136.4	1,222.4	1,269.4	1,453.0
March	618.0	1,121.0	1,129.7	1,214.7	1,282.5	1,464.8
April	634.7	1,104.8	1,135.5	1,210.1	1,297.3	1,462.8
May	649.0	1,101.5	1,140.5	1,214.1	1,310.7	1,469.0
June	664.9	1,104.2	1,171.8	1,222.4	1,322.5	1,478.3
July	698.2	1,107.9	1,165.5	1,228.3	1,324.8	1,488.1
August	778.9	1,124.6	1,176.4	1,228.0	1,340.1	1,504.8
September	854.4	1,139.4	1,184.7	1,235.0	1,358.0	1,528.1
October	938.5	1,142.8	1,191.1	1,240.6	1,374.4	1,539.2
November	1008.3	1,143.3	1,196.8	1,243.7	1,385.9	1,553.3
December	1069.0	1,153.6	1,213.0	1,246.8	1,425.4	1,556.7
(Annual percentage change)						
Average	50.5	47.1	4.3	5.2	8.3	12.5
End of period	79.9	7.9	5.2	2.8	14.3	9.2

Source: Central Bank of the Dominican Republic.

^{1/} The consumer price index has been revised to include a more updated (November 1984) basket of goods. Previously, the consumer price index was based on a basket of goods prevalent during May 1976-April 1977.

Table 49. Dominican Republic: Average Selling Price of Electricity

	1990	1991	1992	1993	1994	Prel. 1995
<u>(In Dominican cents per kilowatt-hour)</u>						
<u>All users</u>	<u>57.3</u>	<u>112.8</u>	<u>128.2</u>	<u>125.0</u>	<u>127.9</u>	<u>153.6</u>
Residential	43.3	95.1	112.2	111.5	114.2	134.5
Commercial	65.4	135.3	150.1	151.2	154.2	181.6
Industrial	73.3	135.8	142.3	134.7	137.9	170.3
Public sector	66.3	122.1	137.0	129.7	132.4	158.3
Street lights	23.9	23.9	105.7	102.2	104.6	123.8
<u>(Annual percentage change)</u>						
<u>All users</u>	<u>59.2</u>	<u>96.9</u>	<u>13.7</u>	<u>-2.5</u>	<u>2.3</u>	<u>20.1</u>
Residential	63.4	119.6	18.0	-0.6	2.4	17.8
Commercial	52.8	106.9	10.9	0.7	2.0	17.8
Industrial	64.0	85.3	4.8	-5.3	2.4	23.5
Public sector	62.1	84.2	12.2	-5.3	2.1	19.6
Street lights	...	...	342.3	-3.3	2.3	18.4

Sources: Dominican Electricity Corporation; and Central Bank of the Dominican Republic.

Table 50. Dominican Republic: Retail Prices of Selected Petroleum Products

	1990			December				
	Aug.	Sep.	Oct./Dec.	1991	1992	1993	1994	1995
(In Dominican pesos per gallon) 1/								
Gasoline	11.00	15.00	20.00	20.00	20.00	20.00	20.00	20.00
Diesel	5.60	8.95	13.70	13.70	13.70	13.70	13.70	13.70
Kerosene	7.50	12.08	18.00	18.00	18.00	18.00	18.00	18.00
Liquid petroleum gas	2.27	3.11	3.11	3.11	3.11	3.11	3.11	5.72 2/
Fuel oil	3.45	5.05	5.05	5.05	5.05	5.05	5.05	5.05
(Percentage change from previous level)								
Gasoline	83.3	36.4	33.3	...	...	...	...	...
Diesel	124.0	59.8	53.1	...	...	...	...	...
Kerosene	172.7	61.1	49.0	...	...	...	...	...
Liquid petroleum gas	13.5	37.0	...	...	...	...	...	...
Fuel oil	46.8	46.4	...	...	...	...	...	...
(Price in U.S. dollar per gallon) 3/								
Gasoline	0.98	1.22	1.49	1.50	1.57	1.57	1.52	1.49
Diesel	0.50	0.73	1.02	1.02	1.07	1.07	1.04	1.02
Kerosene	0.67	0.99	1.34	1.35	1.41	1.41	1.37	1.34
Liquid petroleum gas	0.20	0.25	0.23	0.23	0.24	0.24	0.24	0.43
Fuel oil	0.31	0.41	0.38	0.38	0.40	0.40	0.38	0.38

Sources: Secretary of Commerce and Industry; and Central Bank of the Dominican Republic.

1/ Prices have not changed since October 1990, with the exception of the liquid petroleum gas.

2/ Price was raised in January 1995; the price for industrial use was raised to RD\$18.9 per gallon.

3/ Based on the inter-bank selling rate with exception of 1992 and 1993, when the unified rate was applied.

Table 51. Dominican Republic: Operations of the General Government

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
I. General Government						
Total revenue	8,088	14,378	18,718	21,000	22,200	27,113
Current revenue	7,887	14,169	18,428	20,624	21,602	26,205
Tax revenue	6,645	12,469	16,785	19,320	20,329	24,205
Direct 1/	1,745	2,577	3,026	3,442	3,590	4,586
Indirect 2/	4,901	9,892	13,759	15,879	16,739	19,619
Non tax revenue 3/	1,241	1,700	1,643	1,303	1,273	2,000
Capital revenue	202	208	290	377	598	908
Current expenditure	6,135	8,494	9,767	11,817	12,409	15,697
Wages and salaries	2,176	2,913	3,675	4,635	5,616	6,986
Goods and services	1,027	1,364	2,099	2,906	3,314	3,800
Interest	1,933	2,812	2,509	2,197	1,744	2,425
Foreign 4/	1,928	2,790	2,469	2,175	1,726	2,416
Domestic	5	23	40	22	17	9
Current transfers	853	1,260	1,434	2,062	1,713	2,463
Government enterprises	415	535	544	1,007	654	1,032
Public financial sector	--	--	--	--	--	--
Extrabudget agencies	7	38	55	29	31	48
Private sector	431	687	836	1,025	1,028	1,383
Other expenditure	146	145	50	18	22	24
Current account balance	1,751	5,675	8,662	8,807	9,194	10,508
Capital expenditure	3,661	6,630	8,392	10,473	13,354	10,371
Fixed investment	2,911	4,007	4,967	7,153	10,063	8,181
Capital transfers	608	1,659	2,278	2,587	2,607	1,936
Government enterprises	524	1,060	1,798	2,351	2,472	1,682
Public financial sector	--	11	--	--	--	--
Other	84	587	480	237	135	255
Other	143	964	1,147	733	685	253
Other transfers payments 5/	-71	-653	-590	-988	-1,039	-1,127
Residual	938	1,492	-20	632	700	-798
Overall balance before grants	-842	92	-50	-1,645	-3,902	-881
Grants	470	707	1,065	998	861	1,009
Overall balance after grants	-371	799	1,015	-647	-3,040	128
Financing	371	-799	-1,015	647	3,040	-128
External 6/	208	1,051	1,496	504	-519	13
Banking system	163	-1,851	-2,511	143	3,559	-141

Table 51. Dominican Republic: Operations of the General Government (Continued)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
II. Central Government						
<u>Total revenue</u>	<u>7,482</u>	<u>12,965</u>	<u>17,118</u>	<u>19,152</u>	<u>20,254</u>	<u>24,891</u>
Current	7,316	12,797	16,856	18,856	19,682	23,990
Capital	166	168	262	296	572	901
<u>Total expenditure</u>	<u>8,238</u>	<u>12,179</u>	<u>16,056</u>	<u>19,951</u>	<u>23,879</u>	<u>23,506</u>
Current	4,634	6,434	7,717	9,497	10,408	12,993
Of which: transfers	337	445	586	692	752	916
Capital	3,604	5,745	8,340	10,454	13,471	10,513
Of which: transfers	818	842	951	858	956	969
<u>Current account balance</u>	<u>2,682</u>	<u>6,363</u>	<u>9,139</u>	<u>9,359</u>	<u>9,274</u>	<u>10,997</u>
<u>Overall balance</u>	<u>-756</u>	<u>785</u>	<u>1,062</u>	<u>-799</u>	<u>-3,625</u>	<u>1,385</u>
III. Social Security Institute (IDSS)						
<u>Total revenue</u>	<u>351</u>	<u>549</u>	<u>674</u>	<u>816</u>	<u>901</u>	<u>1,086</u>
Current	351	549	674	816	901	1,086
Of which: transfers	--	--	--	--	--	--
Capital	--	--	--	--	--	--
Of which: transfers	--	--	--	--	--	--
<u>Total expenditure</u>	<u>360</u>	<u>514</u>	<u>652</u>	<u>838</u>	<u>923</u>	<u>1,113</u>
Current	345	499	633	824	910	1,098
Of which: transfers	--	--	--	--	--	--
Capital	15	15	19	14	13	15
Of which: transfers	--	--	--	--	--	--
<u>Current account balance</u>	<u>6</u>	<u>50</u>	<u>42</u>	<u>-8</u>	<u>-10</u>	<u>-12</u>
<u>Overall balance</u>	<u>-9</u>	<u>35</u>	<u>22</u>	<u>-22</u>	<u>-23</u>	<u>-27</u>
IV. Local Governments 7/						
<u>Total revenue</u>	<u>270</u>	<u>351</u>	<u>477</u>	<u>565</u>	<u>624</u>	<u>695</u>
Current	252	323	466	547	603	665
Of which: transfers	153	206	308	359	391	451
Capital	18	28	11	19	21	30
Of which: transfers	--	--	--	--	--	29
<u>Total expenditure</u>	<u>265</u>	<u>333</u>	<u>422</u>	<u>593</u>	<u>775</u>	<u>855</u>
Current	237	291	380	527	714	788
Of which: transfers	--	--	--	--	--	--
Capital	28	42	41	66	61	67
Of which: transfers	2	4	2	3	3	3
<u>Current account balance</u>	<u>16</u>	<u>32</u>	<u>86</u>	<u>19</u>	<u>-112</u>	<u>-123</u>
<u>Overall balance</u>	<u>5</u>	<u>18</u>	<u>55</u>	<u>-28</u>	<u>-152</u>	<u>-160</u>

Table 51. Dominican Republic: Operations of the General Government (Concluded)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
IV. Decentralized Government Agencies 8/						
Total revenue	1,124	1,295	1,496	1,513	1,612	1,802
Current	307	449	546	637	721	883
Of which: transfers	182	237	284	337	366	465
Capital	817	846	950	876	891	918
Of which: transfers	799	834	933	814	886	913
Total expenditure	1,120	2,144	1,552	1,533	1,605	1,826
Current 2/	303	446	577	719	879	1,078
Of which: transfers	1	5	14	7	10	13
Capital	817	1,698	975	814	727	749
Of which: transfers	2	33	47	58	29	29
Current account balance	4	3	-31	-82	-158	-194
Overall balance	4	-850	-56	-20	7	-25
Memorandum items						
Interest on the Central Bank's medium- and long-term external debt	952	1,272	1,065	951	265	669
Exchange sales commission	--	--	537	542	530	494

Sources: National Budget Office (ONAPRE); Central Bank of the Dominican Republic; and Fund staff estimates.

1/ It refers to income and property taxes and employee's contribution to social security.

2/ It includes the commission on foreign exchange sales collected by the CBDR.

3/ Net of intersector transfers.

4/ On accrual basis including interest on the Central Bank's medium- and long-term debt.

5/ Refers to payments of the Central Government on account of the external debt service of the public enterprises.

6/ Includes interest arrears and interest rescheduling of the Central Bank's medium- and long-term external debt.

7/ Includes the Municipal League.

8/ Includes the Dominican Export Promotion Center, the National Family and Population Council, the Hotel Promotion and Tourism Development Council, the Dominican Red Cross, the Civil Defense, the National Bureau of Parks, the Dominican Agrarian Institute, the Sugar Institute, the Welfare and Housing Institute, the Housing Institute, the Water Resource Institute, the Northeast Development Institute, the Southeast Development Institute, the Botanical Garden, the Museum of Royal Houses, the Community Development Office, the National Zoo, the Malaria Eradication Agency, the Superintendency of Banks, the Superintendency of Insurance, and the University of Santo Domingo.

Table 52. Dominican Republic: Central Government Revenue

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
Total revenue	7,482	12,965	17,118	19,152	20,254	24,891
Current revenue	7,316	12,797	16,856	18,856	19,682	23,990
Tax revenue	6,220	11,292	15,417	17,793	18,729	22,371
Taxes on net income and profits	1,595	2,359	2,747	3,097	3,212	4,142
Taxes on property	64	80	104	132	143	160
Death or gift taxes	11	13	12	20	23	29
Property transfers	43	56	77	94	98	129
Other	10	11	15	19	22	3
Taxes on goods and services	2,071	4,918	6,116	7,764	9,210	11,457
General sales taxes (value-added tax)	969	1,468	2,404	3,202	3,524	4,106
Custom	253	516	1,153	1,718	1,705	2,038
Domestic sales	716	952	1,251	1,484	1,820	2,068
Selective excises on goods	463	2,583	2,701	3,415	4,170	5,053
Cigarettes	104	96	102	116	137	265
Beer, alcoholic beverages	253	238	405	514	595	1,103
Gasoline, petroleum products	91	2,247	2,193	2,783	3,433	3,681
Oil price differential	--	1,945	1,871	2,440	3,144	3,234
Other	91	303	322	343	289	447
Sugar	--	--	--	--	--	--
Other	16	3	2	3	5	4
Selective excises on services	471	688	795	865	1,163	1,868
Taxes on the use of goods or property, or permission to perform activities	168	179	215	283	353	430
Business or professional licenses	113	132	161	220	266	314
Motor vehicle taxes	55	47	54	62	88	116
Taxes on international trade and transactions	2,448	3,882	6,388	6,701	6,063	6,509
Import duties	2,443	3,879	6,386	6,700	6,062	6,505
Customs duties	1,472	3,155	5,641	6,432	5,911	6,361
Other charges	971	724	745	269	152	144
Export duties	5	3	2	1	1	4
Sugar	--	--	--	--	--	--
Coffee and cocoa	2	--	--	--	--	--
Other	3	3	2	1	1	4
Other taxes	42	53	62	99	101	103
Stamp taxes	29	36	45	47	54	59
Other	14	17	18	51	47	44
Nontax revenue	1,096	1,505	1,439	1,063	953	1,619
Falconbridge company	611	917	619	86	--	--
Property income	316	223	362	449	392	346
From nonfinancial public enterprises and public financial institutions	289	183	336	396	348	275
Of which: Rosario Mining Company	4	--	10	--	--	--
Other	27	40	27	53	45	71
Fees and charges	147	330	407	436	461	1,109
Other	22	36	51	92	99	165
Capital revenue	166	168	262	296	572	901

Sources: National Budget Office (ONAPRE); Central Bank of the Dominican Republic; and Fund staff estimates.

Table 53. Dominican Republic: Central Government Expenditure

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
By economic type:						
<u>Total expenditure</u>	<u>8,238</u>	<u>12,179</u>	<u>16,056</u>	<u>19,951</u>	<u>23,879</u>	<u>23,506</u>
Current expenditure	4,634	6,434	7,717	9,497	10,408	12,993
Wages and salaries	1,645	2,208	2,823	3,562	4,241	5,343
Goods and services	771	1,000	1,618	2,213	2,549	2,910
Interest	980	1,530	1,436	1,243	1,471	1,746
Foreign 1/	976	1,518	1,404	1,224	1,461	1,746
Domestic	4	12	32	19	10	--
Current transfers	1,094	1,557	1,806	2,479	2,146	2,993
Public sector	759	1,018	1,184	1,729	1,437	1,995
Social Security	5	--	--	--	--	--
Decentralized agencies	153	205	300	359	391	451
Municipalities	179	240	286	333	361	465
Enterprises	415	535	544	1,007	654	1,032
Extrabudgetary agencies	7	38	55	29	31	48
Public financial sector	--	--	--	--	--	--
Private sector	333	536	612	734	707	998
Foreign sector	2	4	10	17	2	--
Other expenditure	144	139	34	--	--	--
<u>Capital expenditure</u>	<u>3,604</u>	<u>5,745</u>	<u>8,340</u>	<u>10,454</u>	<u>13,471</u> 2/	<u>10,513</u>
Fixed investment	2,063	2,298	3,988	6,366	9,335	7,426
Capital transfers	1,407	2,493	3,211	3,383	3,458	2,842
Social Security	--	--	--	--	--	--
Decentralized agencies	816	836	933	831	907	913
Municipalities	2	6	18	28	48	57
Enterprises	524	1,060	1,798	2,351	2,472	1,682
Extrabudgetary agencies	64	579	462	174	30	190
Public financial sector	--	11	--	--	--	--
Other capital expenditure	134	954	1,141	706	678	246
By function:						
<u>Total</u>	<u>8,238</u>	<u>12,179</u>	<u>16,056</u>	<u>19,951</u>	<u>23,879</u>	<u>23,506</u>
Health	1,048	1,586	2,833	3,611	4,093	...
Education	708	936	1,502	2,007	2,606	...
Welfare	852	950	1,139	1,592	1,617	...
Defense	341	553	754	1,007	1,106	...
Administration	1,386	1,469	1,258	1,022	1,321	...
Financial services	980	1,530	1,436	1,243	1,471	1,746
Other 3/	2,924	5,155	7,135	9,469	11,665	...
(In percent of GDP)						
<u>Total</u>	<u>13.7</u>	<u>12.6</u>	<u>14.2</u>	<u>16.4</u>	<u>17.5</u>	<u>14.6</u>
Health	1.7	1.6	2.5	3.0	3.0	...
Education	1.2	1.0	1.3	1.6	1.9	...
Welfare	1.4	1.0	1.0	1.3	1.2	...
Defense	0.6	0.6	0.7	0.8	0.8	...
Administration	2.3	1.5	1.1	0.8	1.0	...
Financial services	1.6	1.6	1.3	1.0	1.1	1.1
Other 3/	4.8	5.4	6.3	7.8	8.6	...

Sources: National Budget Office (ONAPRE); Central Bank of the Dominican Republic; and Fund staff estimates.

1/ On accrual basis.

2/ Includes RDS1,978 millions of extrabudgetary expenditure not reported by ONAPRE.

3/ Includes public works.

Table 54. Dominican Republic: Central Government Transfers

(millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
Total 1/	2,501	4,050	5,017	5,862	5,605	5,835
Current transfers	1,094	1,557	1,806	2,479	2,146	2,993
Public sector	759	1,018	1,184	1,729	1,437	1,995
Consolidated	751	980	1,129	1,700	1,406	1,948
IDSS	5	--	--	--	--	--
Local governments	153	205	300	359	391	451
Decentralized agencies	179	240	286	333	361	465
Public enterprises	415	535	544	1,007	654	1,032
Large enterprises	379	507	512	557	549	862
CDE	356	469	472	480	480	749
INESPRE	10	18	17	41	52	31
CEA	--	--	--	10	--	56
Water companies	14	20	23	26	17	26
Small enterprises	35	28	32	451	105	170
Extrabudget agencies	7	38	55	29	31	48
Financial public sector	--	--	--	--	--	--
Private sector	333	536	612	734	707	998
Foreign sector	2	4	10	17	2	--
Capital transfers	1,407	2,493	3,211	3,383	3,458	2,842
Public sector	1,407	2,493	3,211	3,383	3,458	2,842
Consolidated	1,342	1,903	2,749	3,209	3,428	2,651
IDSS	--	--	--	--	--	--
Local governments	2	6	18	28	48	57
Decentralized agencies	816	836	933	831	907	913
Public enterprises	524	1,060	1,798	2,351	2,472	1,682
Large enterprises	461	976	1,603	2,144	2,137	1,480
CDE	158	270	31	139	86	73
INESPRE	--	--	--	--	--	--
CEA	2	--	175	298	--	--
Water companies	301	706	1,398	1,707	2,052	1,407
Small enterprises	63	85	195	206	335	201
Extrabudget agencies	64	579	462	174	30	190
Financial public sector	--	11	--	--	--	--

Sources: National Budget Office (ONAPRE); the Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Includes extrabudget transfers not reported by ONAPRE.

Table 55. Dominican Republic: Consolidated Accounts of the Financial System

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
<u>Net international reserves</u>	<u>-1,599</u>	<u>3,106</u>	<u>4,778</u>	<u>6,942</u>	<u>600</u>	<u>2,222</u>
<u>Net domestic credit</u>	<u>25,400</u>	<u>27,453</u>	<u>31,951</u>	<u>35,703</u>	<u>43,393</u>	<u>52,432</u>
Net claims on the public sector	5,766	3,404	743	-1,012	3,858	4,029
Central Government (net)	970	-700	-2,682	-3,504	-366	-952
Other public sector (net)	4,795	4,104	3,425	2,493	4,223	4,981
Official capital and surplus	-688	-848	-1,035	-1,131	-1,165	-1,242
Private sector	15,744	19,286	25,145	29,090	33,735	39,741
Nonmonetary international organizations	156	181	225	225	249	274
Net unclassified assets	4,346	4,908	5,905	7,022	6,443	8,917
Intrasystem float	76	523	968	1,509	274	713
<u>Revaluation account</u>	<u>15,055</u>	<u>18,578</u>	<u>17,969</u>	<u>17,706</u>	<u>16,031</u>	<u>16,577</u>
<u>Counterpart unrequited foreign exchange</u>	<u>9</u>	<u>515</u>	<u>570</u>	<u>637</u>	<u>528</u>	<u>528</u>
Of which: revaluation of gold	36	36	35	35	36	36
<u>Medium- and long-term foreign liabilities</u>	<u>15,680</u>	<u>17,037</u>	<u>15,063</u>	<u>15,103</u>	<u>10,264</u>	<u>10,549</u>
<u>Liabilities to private sector</u>	<u>23,166</u>	<u>31,585</u>	<u>39,064</u>	<u>44,611</u>	<u>49,233</u>	<u>60,153</u>
Currency in circulation	3,719	4,585	5,926	6,919	7,692	8,991
Demand deposits	3,373	4,468	4,516	6,147	5,672	7,527
Time and savings deposits	7,360	10,770	14,653	18,727	21,061	24,561
Specialized deposits	263	83	94	73	197	39
Other liabilities ^{1/}	3,331	4,844	6,169	6,077	6,511	9,595
Private capital and surplus	2,814	3,779	4,057	4,213	5,084	5,814
Certificates issued by the Central Bank	122	468	502	197	578	1,149
Bonds issued by nonbank institutions	2,184	2,588	3,147	2,259	2,437	2,478

Source: Central Bank of the Dominican Republic.

^{1/} Includes deposits against certain letters of credit subject to prepayment, some private and public sector deposits for overdue drafts, collections and direct payments awaiting delivery of foreign exchange by the Central Bank, and private funds administered by the investment companies.

Table 56. Dominican Republic: Stock of Financial System Credit by Origin, Destination, and Financing

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
Total credit	25,400	27,453	31,951	35,703	43,393	52,432
Origin	25,400	27,453	31,951	35,703	43,393	52,432
Central Bank (residual)	8,488	7,108	4,577	5,496	8,094	10,554
Reserves Bank	1,402	545	1,314	1,115	2,730	3,231
Private commercial banks	8,516	10,982	15,504	17,845	20,758	25,566
Nonbank financial intermediaries	6,917	8,294	9,589	9,738	11,538	12,368
Intrasystem float and valuation changes	76	523	968	1,509	274	713
Destination	25,400	27,453	31,951	35,703	43,393	52,432
Net claims on the public sector	5,766	3,404	743	-1,012	3,858	4,029
Central Government (net)	970	-700	-2,682	-3,504	-366	-952
Other public sector (net)	4,795	4,104	3,425	2,493	4,223	4,981
Official capital and surplus	-688	-848	-1,035	-1,131	-1,165	-1,242
Private sector	15,744	19,286	25,145	29,090	33,735	39,741
Nonmonetary international organizations	156	181	225	225	249	274
Net unclassified assets	4,346	4,908	5,905	7,022	6,443	8,917
Intrasystem float	76	523	968	1,509	274	713
Financing	25,400	27,453	31,951	35,703	43,393	52,432
Liabilities to private sector	23,166	31,585	39,064	44,611	49,233	60,153
Net international reserves	1,599	-3,106	-4,778	-6,942	-600	-2,222
Medium- and long-term foreign liabilities	15,680	17,037	15,063	15,103	10,264	10,549
Revaluation account	-15,055	-18,578	-17,969	-17,706	-16,031	-16,577
Counterpart unrequited foreign exchange	9	515	570	637	528	528
Of which: revaluation of gold	36	36	35	35	36	36

Source: Central Bank of the Dominican Republic.

Table 57. Dominican Republic: Summary Accounts of the Banking System 1/

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
I. Central Bank						
<u>Net international reserves</u>	<u>-2,212</u>	<u>2,281</u>	<u>3,825</u>	<u>5,473</u>	<u>-409</u>	<u>1,125</u>
Assets	769	5,328	6,121	8,071	3,335	4,792
Liabilities	-2,982	-3,046	-2,296	-2,599	-3,744	-3,667
Arrears	-297	-308	-171	-5	-3	-3
Other	-2,685	-2,739	-2,125	-2,594	-3,741	-3,664
<u>Net domestic credit</u>	<u>10,262</u>	<u>8,873</u>	<u>6,432</u>	<u>7,438</u>	<u>10,284</u>	<u>12,095</u>
Net claims on the public sector	5,490	3,962	2,708	1,008	4,969	5,985
Central Government (net)	1,484	460	-463	-1,401	1,342	2,035
Claims 2/	1,684	1,956	1,845	843	1,500	2,377
Deposits (budgetary reserve)	-200	-1,496	-2,309	-2,244	-157	-342
Operating losses of the Central Bank	1,957	1,957	1,957	1,957	1,957	1,957
Payments of interest on external debt	665	925	1,199	1,502	2,133	2,811
Other Central Government (net)	--	-537	-1,079	-1,609	-2,103	-2,645
Rest of public sector (net)	1,384	1,156	1,094	558	1,640	1,827
Official capital and surplus	-57	-60	-60	-60	-60	-60
Credit to rest of the financial system	681	831	945	1,144	1,156	1,064
Credit to commercial banks	1,595	1,373	1,096	1,109	1,536	1,598
Nonmonetary international organizations	156	181	225	225	249	274
Other assets (net) 3/	2,397	2,587	1,519	4,012	2,434	3,234
<u>Revaluation account</u>	<u>14,486</u>	<u>17,277</u>	<u>17,462</u>	<u>17,871</u>	<u>16,415</u>	<u>16,961</u>
<u>Counterpart of unrequited foreign exchange 4/</u>	<u>9</u>	<u>515</u>	<u>570</u>	<u>637</u>	<u>528</u>	<u>528</u>
Of which: revaluation of gold	36	36	35	35	36	36
<u>Medium- and long-term foreign liabilities</u>	<u>15,667</u>	<u>17,019</u>	<u>15,046</u>	<u>15,084</u>	<u>10,243</u>	<u>10,548</u>
Refinancing with foreign commercial banks	7,922	8,842	8,842	8,842	6,691	6,691
Other	7,745	8,178	6,205	6,242	3,552	3,857
<u>Liabilities to commercial banks</u>	<u>2,312</u>	<u>5,327</u>	<u>5,090</u>	<u>7,407</u>	<u>6,711</u>	<u>8,447</u>
Cash in vaults	830	1,167	1,029	1,192	1,274	1,504
Reserve deposits	1,442	2,554	3,944	6,206	4,791	6,098
Special deposits 5/	51	42	27	9	8	3
Arrears and letters of credit in arrears to local banks 6/	-27	-25	-14	--	--	--
Stabilization Bonds	16	178	16	--	165	842
Other	--	1,410	88	--	472	--
<u>Liabilities to other financial institutions</u>	<u>402</u>	<u>413</u>	<u>484</u>	<u>479</u>	<u>487</u>	<u>463</u>
<u>Liabilities to the private sector</u>	<u>4,145</u>	<u>5,157</u>	<u>6,529</u>	<u>7,175</u>	<u>8,321</u>	<u>10,194</u>
Currency in circulation	3,719	4,585	5,926	6,919	7,692	8,991
Demand deposits	303	101	97	57	48	39
Interest due on deposits	2	3	3	2	3	16
Central Bank certificates	122	468	502	197	578	1,149

Table 57. Dominican Republic: Summary Accounts of the Banking System 1/ (Continued)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
II. Reserves Bank						
<u>Net foreign assets</u>	<u>680</u>	<u>851</u>	<u>731</u>	<u>611</u>	<u>656</u>	<u>959</u>
Assets	680	851	731	611	656	1,191
Liabilities	--	--	--	--	--	-232
<u>Monetary reserves and currency holdings</u>	<u>797</u>	<u>1,621</u>	<u>1,689</u>	<u>2,314</u>	<u>1,116</u>	<u>1,783</u>
Cash in vaults	239	345	356	356	267	390
Reserve deposits	515	1,233	1,111	1,929	820	1,097
Special deposits	36	36	215	29	29	2
Arrears and letters of credit in arrears	-7	-7	-6	--	--	--
Central Bank certificates	14	14	14	--	--	295
<u>Net domestic assets</u>	<u>1,418</u>	<u>629</u>	<u>1,348</u>	<u>1,148</u>	<u>2,760</u>	<u>3,245</u>
Net claims on the public sector	292	-450	-1,835	-1,954	-1,047	-1,870
Central Government (net)	-526	-1,169	-2,228	-2,112	-1,717	-2,995
Claims	296	211	334	229	280	171
Deposits	-822	-1,379	-2,562	-2,341	-1,996	-3,166
State and local governments (net)	-5	-7	-14	-13	-16	-19
Rest of public sector	822	725	407	171	686	1,144
Official capital and surplus	-533	-658	-803	-912	-960	-1,016
Credit to rest of the financial system	35	36	26	32	37	34
Credit to private sector	1,598	1,906	3,654	3,929	4,639	5,476
Net unclassified assets	45	-252	298	53	98	641
Net interbank float	-19	47	8	--	-7	-21
<u>Revaluation account</u>	<u>-377</u>	<u>-450</u>	<u>-112</u>	<u>140</u>	<u>-312</u>	<u>-312</u>
<u>Liabilities to monetary authorities</u>	<u>625</u>	<u>496</u>	<u>436</u>	<u>157</u>	<u>173</u>	<u>207</u>
<u>Liabilities to the rest of the financial system</u>	<u>15</u>	<u>26</u>	<u>47</u>	<u>25</u>	<u>12</u>	<u>15</u>
<u>Liabilities to the private sector</u>	<u>1,878</u>	<u>2,128</u>	<u>3,173</u>	<u>4,030</u>	<u>4,036</u>	<u>5,454</u>
Demand deposits	583	449	642	868	401	1,239
Time and savings deposits	785	1,328	1,976	2,846	3,368	3,801
Special deposits	105	29	11	4	19	9
Other liabilities (net)	406	322	544	312	249	405
Other liabilities	413	329	550	312	249	405
Arrears	-7	-7	-6	--	--	--

Table 57. Dominican Republic: Summary Accounts of the Banking System 1/ (Continued)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
III. Private Commercial Banks						
<u>Net international reserves</u>	<u>-67</u>	<u>-27</u>	<u>221</u>	<u>856</u>	<u>350</u>	<u>135</u>
<u>Assets</u>	<u>712</u>	<u>784</u>	<u>944</u>	<u>1,373</u>	<u>1,154</u>	<u>858</u>
<u>Liabilities</u>	<u>-779</u>	<u>-811</u>	<u>-723</u>	<u>-517</u>	<u>-805</u>	<u>-723</u>
<u>Monetary reserves and currency holdings</u>	<u>1,881</u>	<u>4,010</u>	<u>3,581</u>	<u>5,163</u>	<u>5,807</u>	<u>6,819</u>
Cash in vaults	591	822	673	836	1,008	1,228
Reserve deposits	1,141	2,956	2,893	4,324	4,613	5,002
Special deposits	167	86	20	4	22	42
Arrears and letters of credit in arrears	-20	-18	-7	--	--	--
Central Bank certificates	2	164	2	--	165	547
<u>Net domestic assets</u>	<u>8,774</u>	<u>11,446</u>	<u>16,050</u>	<u>18,325</u>	<u>21,174</u>	<u>25,757</u>
Net claims on the public sector	-16	-108	-131	-66	-64	-87
Central Government (net)	12	9	9	9	9	9
Claims	12	9	9	9	9	9
Deposits	--	--	--	--	--	--
State and local governments (net)	-35	-9	-16	-10	-8	-8
Rest of public sector	7	-108	-123	-65	-65	-88
Credit to rest of the financial system	278	458	554	479	470	238
Credit to private sector	7,346	9,220	12,153	15,513	17,527	21,889
Net unclassified assets	1,187	1,870	3,482	2,398	3,295	3,763
Net interbank float	-21	5	-8	--	-53	-46
<u>Revaluation account</u>	<u>945</u>	<u>1,751</u>	<u>620</u>	<u>-305</u>	<u>-72</u>	<u>-72</u>
<u>Liabilities to monetary authorities</u>	<u>799</u>	<u>839</u>	<u>657</u>	<u>738</u>	<u>1,162</u>	<u>514</u>
<u>Liabilities to the rest of the financial system</u>	<u>573</u>	<u>963</u>	<u>1,195</u>	<u>1,195</u>	<u>1,446</u>	<u>1,443</u>
<u>Liabilities to the private sector</u>	<u>10,160</u>	<u>15,377</u>	<u>18,619</u>	<u>22,106</u>	<u>24,651</u>	<u>30,682</u>
Demand deposits	2,485	3,915	3,773	5,220	5,220	6,234
Time and savings deposits	5,032	7,496	10,306	13,202	14,985	17,886
Special deposits	158	54	83	69	178	30
Other liabilities (net)	880	1,604	2,217	1,124	1,163	2,888
Other liabilities	900	1,622	2,225	1,124	1,163	2,888
Arrears	-20	-18	-7	--	--	--
Private capital and surplus	1,604	2,308	2,240	2,491	3,105	3,644

Table 57. Dominican Republic: Summary Accounts of the Banking System ^{1/} (Concluded)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
IV. Consolidated Banking System						
Net foreign assets	-1,600	3,106	4,777	6,939	597	2,219
Assets	2,161	6,963	7,797	10,055	5,145	6,840
Liabilities	-3,761	-3,857	-3,020	-3,116	-4,548	-4,621
Net domestic assets	19,395	19,916	22,917	26,085	33,096	40,531
Net claims on the public sector	5,766	3,404	743	-1,012	3,858	4,029
Central Government (net)	970	-700	-2,682	-3,504	-366	-952
Claims	1,992	2,175	2,188	1,081	1,788	2,556
Deposits	-1,022	-2,875	-4,870	-4,585	-2,154	-3,508
Other Central Government (net)	--	-537	-1,079	-1,609	-2,103	-2,645
State and local government (net)	-40	-16	-31	-22	-24	-26
Rest of public sector	2,213	1,773	1,378	664	2,261	2,883
Operating losses of Central Bank	1,957	1,957	1,957	1,957	1,957	1,957
Payments of interest on external debt	665	925	1,199	1,502	2,133	2,811
Official capital and surplus	-590	-718	-864	-972	-1,020	-1,076
Credit to rest of financial system	994	1,325	1,525	1,655	1,663	1,335
Credit to private sector	8,944	11,126	15,806	19,442	22,166	27,365
Nonmonetary international organizations	156	181	225	225	249	274
Net unclassified assets	3,629	4,205	5,299	6,463	5,827	7,638
Net interbank float	497	394	184	284	353	965
Revaluation account	15,055	18,578	17,969	17,706	16,031	16,577
Counterpart unrequited foreign exchange ^{3/}	9	515	570	637	528	528
Of which: revaluation of gold	36	36	35	35	36	36
Medium- and long-term liabilities	15,667	17,019	15,046	15,084	10,243	10,548
Refinancing with foreign commercial banks	7,922	8,842	8,842	8,842	6,691	6,691
Other	7,745	8,178	6,205	6,242	3,552	3,857
Liabilities to rest of the financial system	990	1,402	1,727	1,699	1,944	1,920
Liabilities to the private sector	16,184	22,662	28,321	33,311	37,009	46,330
Currency in circulation	3,719	4,585	5,926	6,919	7,692	8,991
Demand deposits plus interest due on deposits	3,373	4,468	4,516	6,147	5,672	7,527
Time and savings deposits	5,817	8,825	12,282	16,049	18,354	21,687
Special deposits	263	83	94	73	197	39
Other liabilities (net)	1,286	1,926	2,761	1,436	1,412	3,293
Other liabilities	1,313	1,951	2,775	1,437	1,412	3,293
Arrears	-27	-25	-14	--	--	--
Private capital and surplus	1,604	2,308	2,240	2,491	3,105	3,644
Central Bank certificates	122	468	502	197	578	1,149

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

^{1/} Foreign currency transactions converted at the following exchange rates (RDS per US dollar): 1989 RDS6.33; 1990 RDS11.20; 1991-93 RDS12.5; and 1994-95 RDS12.87.^{2/} Includes advances for the external debt service of the Central Government.^{3/} Operating losses of the Central Bank unrelated to foreign interest payments, that reemerged in 1994, are recorded in other assets.^{4/} Difference between Fund and central bank valuation of allocation of SDR, Gold and Fund accounts.^{5/} Includes foreign exchange claims on the Central Bank to reimburse head offices of correspondent banks for payments on commercial letters of credit made by them abroad.^{6/} Includes deposits corresponding to arrears and to letters of credit subject to prepayment.

Table 58. Dominican Republic: Summary Accounts of the Nonbank Financial Institutions

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
I. National Housing Bank						
<u>Foreign assets</u>	--	--	1	1	1	1
<u>Domestic assets</u>	406	616	765	791	821	821
Liquid claims on banks	131	201	360	373	292	254
Deposits with savings and loan associations	57	57	68	155	227	255
Credit to savings and loan associations	102	164	172	137	120	148
Credit to private sector	98	222	284	263	274	289
Official capital and surplus	-98	-129	-171	-159	-145	-165
Other assets	117	101	52	22	53	40
<u>Medium- and long-term foreign liabilities</u>	13	17	16	19	20	--
<u>Liabilities to banking system</u>	87	88	70	70	82	74
<u>Liabilities to savings and loan associations</u>	109	154	182	229	203	191
Deposits	105	150	178	224	198	186
Mortgage bonds	--	--	0 ...	...	...	...
Other liabilities	4	4	4	4	4	4
<u>Liabilities to private sector</u>	197	357	497	474	517	557
Mortgage bonds	181	314	464	448	496	539
Other liabilities	16	43	33	26	21	18
II. Savings and Loan Associations						
<u>Domestic assets</u>	3,813	5,095	6,395	7,924	8,866	10,505
Liquid claims on banks	613	963	1,486	2,191	1,320	2,115
Credit to the National Housing Bank	4	4	4	4	4	4
Deposits with the National Housing Bank	105	150	178	224	198	117
Credit to private sector	2,997	3,894	4,533	5,277	7,275	8,147
Other assets	94	85	193	228	69	122
<u>Liabilities to the National Housing Bank</u>	153	176	239	266	198	178
<u>Liabilities to private sector</u>	3,661	4,920	6,156	7,657	8,668	10,328
Savings deposits	1,459	1,883	2,290	2,596	2,638	2,805
Other liabilities	1,756	2,422	2,973	4,081	4,675	5,913
Private capital and surplus	445	615	893	981	1,355	1,610

Table 58. Dominican Republic: Summary Accounts of the Nonbank Financial Institutions (Concluded)

(In millions of Dominican pesos)

	1990	1991	1992	1993	1994	Prel. 1995
III. Mortgage Banks						
<u>Foreign assets</u>	--	--	--	3	3	3
<u>Domestic assets</u>	2,289	2,308	2,299	1,312	1,185	1,171
Liquid claims on banks	243	287	326	160	127	143
Credit to private sector	2,033	1,911	1,781	1,120	1,016	1,018
Other assets	13	110	191	32	42	10
<u>Liabilities to banking system</u>	134	112	126	166	122	124
<u>Liabilities to private sector</u>	2,155	2,196	2,173	1,149	1,066	1,050
Time and savings deposits	84	63	81	83	69	69
Mortgage bonds	1,444	1,432	1,476	766	863	883
Official capital and surplus	442	426	395	186	-14	-34
Other liabilities	185	275	220	115	148	132
IV. Private Development Banks						
<u>Foreign assets</u>	--	--	--	--	--	--
<u>Domestic assets</u>	1,797	2,369	3,034	3,337	3,262	3,137
Liquid claims on banks	134	267	308	381	308	229
Credit to private sector	1,673	2,133	2,741	2,989	ERR	ERR
Other assets	-10	-32	-15	-33	-50	-14
<u>Medium- and long-term foreign liabilities</u>	--	--	1	1	1	1
<u>Liabilities to banking system</u>	827	918	1,115	1,316	1,289	1,247
<u>Liabilities to private sector</u>	970	1,451	1,918	2,020	1,972	1,889
Bonds	560	843	1,208	1,046	1,079	1,056
Other liabilities	88	178	181	420	255	240
Private capital and surplus	323	430	530	555	639	593
V. Consolidated Nonbank Financial Institutions						
<u>Foreign assets</u>	--	--	1	3	3	3
<u>Domestic assets</u>	8,043	10,057	12,071	12,868	13,734	15,265
Liquid claims on banks	1,120	1,718	2,480	3,104	2,047	2,742
Credit to private sector	6,801	8,159	9,339	9,648	11,569	12,375
Official capital and surplus	-98	-129	-171	-159	-145	-165
Other assets	214	264	421	249	114	158
Net float	6	45	2	26	149	156
<u>Medium- and long-term foreign liabilities</u>	13	17	17	19	21	1
<u>Liabilities to banking system</u>	1,048	1,117	1,311	1,551	1,493	1,445
<u>Liabilities to private sector</u>	6,983	8,923	10,744	11,300	12,224	13,823
Time and savings deposits	1,543	1,946	2,371	2,678	2,707	2,874
Bonds	2,184	2,588	3,147	2,259	2,437	2,478
Other liabilities	2,045	2,918	3,408	4,641	5,099	6,302
Private capital and surplus	1,210	1,471	1,818	1,722	1,980	2,170

Source: Central Bank of the Dominican Republic.

Table 59. Dominican Republic: Stocks of Commercial Bank Credit to the Private Sector by Economic Activity 1/

	1990	1991	1992	1993	1994	Prel. 1995
(In millions of Dominican pesos)						
<u>Total</u>	<u>8,944</u>	<u>11,126</u>	<u>15,806</u>	<u>19,442</u>	<u>22,166</u>	<u>27,365</u>
<u>Productive sectors</u>	<u>4,435</u>	<u>5,598</u>	<u>7,314</u>	<u>6,988</u>	<u>7,546</u>	<u>7,773</u>
Agriculture	955	1,315	2,713	2,244	2,434	2,282
Manufacturing	2,648	3,400	3,741	3,771	3,947	4,262
Construction	824	871	854	971	1,149	1,213
Service industries	8	12	6	2	16	16
<u>Other (residual)</u>	<u>4,509</u>	<u>5,528</u>	<u>8,492</u>	<u>12,454</u>	<u>14,620</u>	<u>19,592</u>
Trade	1,686	2,243	4,313	6,091	7,199	7,480
Installment credit	1,117	1,554	2,340	3,602	4,651	5,353
Miscellaneous (residual) 2/	1,705	1,732	1,839	2,761	2,769	6,760
(In percent)						
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
<u>Productive sectors</u>	<u>49.6</u>	<u>50.3</u>	<u>46.3</u>	<u>35.9</u>	<u>34.0</u>	<u>28.4</u>
Agriculture	10.7	11.8	17.2	11.5	11.0	8.3
Manufacturing	29.6	30.6	23.7	19.4	17.8	15.6
Construction	9.2	7.8	5.4	5.0	5.2	4.4
Service industries	0.1	0.1	--	--	0.1	0.1
<u>Other</u>	<u>50.4</u>	<u>49.7</u>	<u>53.7</u>	<u>64.1</u>	<u>66.0</u>	<u>71.6</u>
Trade	18.9	20.2	27.3	31.3	32.5	27.3
Installment credit	12.5	14.0	14.8	18.5	21.0	19.6
Miscellaneous 2/	19.1	15.6	11.6	14.2	12.5	24.7

Source: Central Bank of the Dominican Republic.

1/ Includes the Reserves Bank

2/ Includes tourism and nonclassified loans made by the Investment Fund for Economic Development (FIDE).

Table 60. Dominican Republic: Financial Indicators

	Reserves Bank				Other Commercial Banks				Commercial Banks				Development Banks				Mortgage Banks			
	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95
Assets	11,019	11,208	12,060	13,282	25,212	27,022	28,343	31,399	36,231	38,239	40,693	44,681	3,108	3,213	2,970	2,168	770	1,057	662	679
Cash	3,390	4,528	3,944	5,476	7,021	7,049	8,105	7,784	10,411	11,577	12,052	13,260	280	268	232	189	103	114	62	74
Loan portfolio	4,780	4,999	5,199	5,452	13,506	14,945	15,856	17,190	18,206	19,944	21,055	22,642	2,397	2,459	2,312	1,638	499	603	493	491
Normal	3,801	4,779	4,980	5,241	12,666	14,265	15,262	16,479	16,467	19,044	20,242	21,721	2,250	2,346	2,222	1,525	419	487	461	455
Overdue	979	220	219	211	840	680	595	711	1,810	900	813	922	147	114	90	113	79	117	32	36
Less provisions	-77	-75	-84	-106	-149	-203	-240	-291	-226	-278	-323	-397	-39	-45	-64	-47	-4	-11	-13	-18
Investments	321	145	303	493	1,089	1,083	1,510	1,655	1,409	1,228	1,813	2,148	164	110	115	70	57	60	52	76
Fixed assets	414	480	564	596	1,667	1,684	1,667	1,742	2,081	2,164	2,231	2,338	60	69	47	47	18	53	13	12
Goods received in pay	17	29	59	69	144	216	220	287	161	245	280	356	83	98	102	91	52	111	27	12
Other assets	2,173	1,103	2,072	1,302	1,935	2,249	1,424	3,032	4,108	3,352	3,496	4,334	163	254	226	181	46	127	28	32
Total liabilities and capital	11,019	11,208	12,060	13,282	25,212	27,022	28,343	31,399	36,231	38,239	40,693	44,681	3,108	3,213	2,970	2,168	770	1,057	662	679
Liabilities	10,264	10,399	11,187	12,413	22,871	24,264	24,953	27,183	32,135	34,462	36,032	40,662	2,634	2,627	2,415	1,836	549	889	575	588
Deposits	7,690	5,427	5,103	5,702	17,621	15,316	13,603	14,053	25,510	18,743	18,787	19,755	--	--	--	--	14	6	3	4
Current account	4,178	3,742	3,244	3,793	6,037	6,183	6,254	6,348	10,215	9,924	9,520	10,141	--	--	--	--	--	--	--	--
Savings	1,384	1,603	1,599	1,881	4,522	4,632	4,583	4,797	5,906	6,235	6,182	6,677	--	--	--	--	--	--	--	--
Time	2,327	83	238	29	7,062	2,501	2,766	2,908	9,389	2,584	3,004	2,937	--	--	--	--	14	6	3	4
Sight liabilities	91	140	126	250	693	1,056	858	1,170	784	1,196	983	1,420	96	125	81	8	10	23	6	4
Bonds	--	2,000	2,265	2,767	2,477	7,037	8,301	9,660	2,477	9,038	10,567	12,427	1,178	1,006	1,025	855	395	645	506	505
Liabilities (foreign currency)	---	---	458	1,705	---	---	692	1,145	---	---	1,150	2,050	--	--	--	--	--	--	--	--
Liabilities (domestic currency)	151	476	249	907	799	1,386	1,358	1,517	930	1,062	1,807	2,425	1,140	1,273	1,074	790	65	89	31	48
Other liabilities	2,133	2,355	2,986	1,083	1,281	1,469	632	703	3,414	3,023	3,618	1,785	220	222	235	183	65	126	29	35
Capital	755	810	873	869	2,341	2,758	2,390	2,723	3,096	3,569	3,771	4,020	474	587	555	332	222	169	87	91
Paid capital	370	577	250	250	1,770	2,053	1,810	2,080	2,140	2,630	2,068	2,338	426	519	448	305	184	204	67	70
Legal reserve	---	---	327	395	---	---	---	---	---	---	699	822	---	---	50	2	---	---	7	7
Other capital accounts	385	233	296	224	571	706	707	635	956	939	1,003	860	47	67	57	24	37	-35	13	14
Indicators																				
Overdue loans/total loan portfolio	20.5	4.4	4.2	3.9	6.2	4.6	3.7	4.1	9.9	4.5	3.9	4.1	6.1	4.6	3.9	6.9	15.9	19.3	6.4	7.4
Provisions/total loan portfolio	1.6	1.5	1.6	1.9	1.1	1.4	1.5	1.7	1.2	1.4	1.5	1.8	1.6	1.8	2.8	2.9	0.8	1.8	2.7	3.6
Provisions/overdue loans	7.8	34.2	38.2	50.2	17.8	29.9	40.3	41.8	12.4	30.9	39.8	43.1	26.5	39.3	71.3	42.0	5.3	9.1	42.3	48.8
(Overdue loans-provisions/capital)	119.5	17.9	15.5	12.1	29.5	17.3	12.2	13.3	51.4	17.4	13.0	13.0	22.9	11.8	4.6	19.7	34.0	62.7	21.0	20.5
Share of loans	16.0	14.9	14.9	15.3	45.3	44.6	45.6	48.2	61.3	59.5	60.5	63.5	8.0	7.3	6.6	4.6	1.7	1.8	1.4	1.4
Share of liabilities	21.0	19.7	20.3	21.1	46.8	46.0	46.6	48.1	67.8	65.7	67.0	69.2	5.4	5.0	4.4	3.1	1.1	1.7	1.0	1.0

Table 60. Dominican Republic: Financial Indicators (Concluded)

	Savings and Loans				Finance Companies				Other				Total			
	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95	Dec. 93	Jun. 94	Dec. 94	Jun. 95
Assets	2,125	8,837	2,147	10,022	2,992	4,213	4,226	4,081	4,085	4,314	4,761	4,863	22,368	60,085	62,432	66,303
Cash	2,116	2,532	555	568	528	534	569	502	686	649	108	73	14,124	13,673	13,579	14,666
Loan portfolio	3,873	3,349	3,493	3,928	2,835	2,987	3,124	2,930	1,940	2,156	2,124	2,019	29,828	33,498	34,800	35,640
Normal	3,739	3,284	3,462	3,688	2,588	2,704	2,846	2,695	1,494	1,796	1,704	1,660	26,958	31,660	32,937	33,743
Overdue	133	65	231	240	247	283	277	236	446	360	420	359	2,871	1,838	1,863	1,906
Less provisions	-32	-32	-88	-83	-32	-49	-114	-126	-219	-218	-213	-208	-352	-631	-816	-880
Investments	477	85	2,129	2,619	126	124	149	223	326	346	906	941	2,560	1,952	3,164	6,078
Fixed assets	211	223	218	234	152	144	155	130	68	85	89	92	2,589	2,738	2,753	2,852
Goods received in pay	139	126	96	138	52	72	75	92	11	9	11	12	498	660	591	700
Other assets	391	373	344	624	339	401	339	331	1,274	1,487	1,736	1,936	6,321	6,195	6,369	7,438
Total liabilities and capital	2,125	8,837	2,147	10,022	2,992	4,213	4,226	4,081	4,085	4,314	4,761	4,863	22,368	60,085	62,432	66,303
Liabilities	4,485	7,983	8,170	8,855	2,987	3,161	3,294	3,005	3,058	3,406	3,703	3,838	48,847	52,726	54,989	58,783
Deposits	2,700	2,891	2,814	2,831	--	--	--	--	466	649	481	628	28,690	22,289	22,003	23,218
Current account	--	--	--	--	--	--	--	--	--	--	--	--	10,215	9,924	9,520	10,141
Savings	2,207	2,388	2,397	2,447	--	--	--	--	249	181	324	192	8,361	8,804	8,904	9,316
Time	493	503	417	384	--	--	--	--	217	467	156	436	10,114	3,560	3,581	3,761
Sight liabilities	42	172	140	115	43	--	36	29	264	124	157	160	1,239	1,640	1,403	1,736
Bonds	3,428	4,436	4,787	3,424	2,474	2,462	2,567	2,442	963	612	734	754	10,915	18,199	20,185	22,408
Liabilities (foreign currency)	--	--	--	--	--	--	--	--	--	--	11	12	...	...	1,161	2,862
Liabilities (domestic currency)	49	163	134	75	144	381	316	175	747	1,119	1,291	1,188	3,094	4,807	4,652	4,685
Other liabilities	267	322	294	410	326	397	376	357	618	902	1,031	1,105	4,910	5,792	5,583	3,875
Capital	690	874	977	1,174	1,012	1,053	1,002	1,076	1,027	1,109	1,058	1,027	6,520	7,359	7,450	7,720
Paid capital	169	--	--	--	989	952	787	810	743	713	194	188	4,572	5,010	3,564	3,711
Legal reserve	--	--	--	--	...	...	157	158	...	...	83	10	...	...	996	1,000
Other capital accounts	321	874	977	1,174	183	101	58	108	284	396	781	828	1,948	2,341	2,890	3,008
Indicators																
Overdue loans/total loan portfolio	3.4	1.2	4.1	4.1	8.7	9.3	8.9	8.0	23.0	16.7	19.8	17.8	9.4	5.3	5.4	5.3
Provisions/total loan portfolio	0.0	0.6	1.3	1.4	1.1	1.6	3.7	4.3	11.3	10.1	10.0	10.3	1.9	1.9	2.3	2.3
Provisions/overdue loans	23.6	48.3	38.2	34.4	13.1	17.2	41.2	53.6	49.2	60.5	50.7	58.1	19.2	34.3	43.8	46.2
(Overdue loans-provision/capital)	14.8	3.9	14.6	13.4	21.2	22.3	16.3	10.2	22.1	12.8	19.6	14.6	35.6	16.4	14.0	13.3
Share of loans	13.0	16.0	16.4	16.6	9.5	8.9	9.0	8.2	6.5	6.4	6.1	5.7	100.0	100.0	100.0	100.0
Share of liabilities	13.3	13.1	14.9	15.1	6.1	6.0	6.0	5.1	6.3	6.5	6.7	6.5	100.0	100.0	100.0	100.0

Sources: Superintendency of Banks; and Fund staff estimates.

Table 61. Dominican Republic: Balance of Payments

(In millions of U.S. dollars)

	1991			1992			1993			1994			1995		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
Current account	2,433	-2,340	-107	2,604	-3,094	-489	2,928	-3,009	-89	3,344	-3,409	-144	3,910	-3,730	179
Merchandise and services	2,047	-2,540	-493	2,172	-3,094	-921	2,470	-3,009	-531	2,036	-3,409	-652	3,301	-3,730	-357
Merchandise, f.o.b.	650	-1,729	-1,071	563	-2,175	-1,612	511	-2,110	-1,600	644	-2,593	-1,949	743	-2,707	-1,964
Services	1,398	-811	577	1,610	-919	691	1,967	-891	1,077	2,192	-895	1,297	2,630	-1,031	1,407
Freight and insurance	10	-175	-157	16	-232	-216	14	-210	-204	10	-236	-210	21	-280	-259
Other transport	34	-20	33	33	-21	33	71	-23	49	74	-24	50	91	-26	66
Tourism	850	-70	780	1,029	-75	954	1,239	-77	1,162	1,420	-74	1,354	1,630	-85	1,553
Investment income	87	-416	-320	55	-448	-393	61	-414	-354	66	-391	-325	86	-467	-380
Government, n.i.e.	12	-5	7	12	-9	3	13	-9	4	13	-10	4	14	-10	5
Free trade zones	250	--	250	306	--	306	401	--	401	441	--	441	500	--	500
Other services	110	-125	-15	130	-135	3	169	-150	19	152	-161	-9	200	-165	123
Transfers	307	--	307	432	--	432	442	--	442	500	--	500	530	--	530
Private	330	--	330	347	--	347	362	--	362	439	--	439	451	--	451
Official	57	--	57	85	--	85	80	--	80	69	--	69	78	--	78
Capital account	445	-297	147	448	-245	202	303	-274	112	377	-374	-197	403	-467	-64
Public sector 1/	152	-206	-134	111	-235	-124	166	-232	-67	140	-234	-86	206	-224	-10
Medium and long term	152	-206	-134	111	-235	-124	140	-232	-92	140	-232	-84	206	-224	-10
Nonfinancial public sector	86	-213	-127	70	-162	-92	115	-159	-44	121	-183	-62	139	-175	-36
Financial public sector	66	-72	-6	41	-73	-32	25	-74	-48	27	-49	-23	67	-49	18
Short term	--	--	--	--	--	--	26	--	26	--	-2	-2	--	--	--
Private Sector	292	--	292	332	--	332	220	--	220	190	-339	-150	199	-236	-30
Direct investment	145	--	145	180	--	180	183	--	183	190	--	190	199	--	199
Other (including errors and omissions)	147	--	147	352	--	352	37	--	37	--	-339	-339	--	-236	-236
Commercial banks	--	-11	-11	--	-10	-10	--	-41	-41	39	--	39	--	-7	-7
Overall balance	288	288	0	288	288	0	288	288	0	288	288	0	288	288	0
Financing	288	288	0	288	288	0	288	288	0	288	288	0	288	288	0
Net foreign assets	...	...	-352	...	...	-121	...	...	-130	...	...	450	...	...	-123
Gross reserves	...	...	-350	...	...	-64	...	...	-156	...	...	307	...	...	-113
Liabilities	...	...	5	...	...	-50	...	...	26	...	...	72	...	...	-10
Use of Fund credit (net)	...	...	42	...	...	30	...	...	64	...	...	-8	...	...	-34
Reserve arrears	...	...	-32	...	...	-92	...	...	-21	...	...	-13	...	...	-1
Of which: IMF	...	...	-26	...	...	...	...	...	...	...	...	...	...	...	...
Other liabilities	...	...	-5	...	...	-4	...	...	-10	...	...	93	...	...	25
Arrears (reduction -) 2/	...	...	-643	...	...	-29	...	...	-3	...	...	55	...	...	1
Debt refinancing	...	...	974	...	...	242	...	...	111	...	...	...	...	...	11
Discount	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Debt buyback 3/	...	...	...	...	...	...	...	...	...	...	...	-172	...	...	...

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ In 1991, includes US\$32.9 million repurchase of debt from Mexico.

2/ On all external debt, except reserve liabilities of the Central Bank, including short term.

3/ Payments of US\$ 172 million for interest and principal collateral and debt buyback in 1994.

Table 62. Dominican Republic: Exports by Destination

	1990	1991	1992	1993	1994	Jan.-Sept.	
						1994	1995
(In millions of U.S. dollars)							
<u>Total exports, f.o.b.</u>	<u>734.6</u>	<u>658.3</u>	<u>562.5</u>	<u>510.9</u>	<u>644.0</u>	<u>466.3</u>	<u>591.6</u>
<u>North America (excluding Mexico)</u>	<u>501.5</u>	<u>432.6</u>	<u>352.9</u>	<u>310.5</u>	<u>393.1</u>	<u>288.9</u>	<u>354.6</u>
United States	431.8	368.9	303.1	242.9	336.7	247.6	290.9
Puerto Rico	57.8	50.4	40.2	42.7	40.5	29.5	36.9
Canada	11.9	13.4	9.6	24.8	15.9	11.8	26.8
<u>Latin American Free Trade Area</u>	<u>13.8</u>	<u>10.8</u>	<u>7.9</u>	<u>9.7</u>	<u>5.2</u>	<u>4.0</u>	<u>3.2</u>
Venezuela	0.6	0.8	1.1	0.7	0.7	0.6	0.4
Other	13.2	10.0	6.7	9.1	4.4	3.3	2.8
<u>Other South American and Caribbean</u>	<u>14.9</u>	<u>16.0</u>	<u>22.4</u>	<u>37.6</u>	<u>39.0</u>	<u>26.6</u>	<u>36.5</u>
<u>European Community</u>	<u>143.9</u>	<u>141.9</u>	<u>120.2</u>	<u>112.6</u>	<u>148.2</u>	<u>105.6</u>	<u>127.0</u>
Belgium	13.5	20.5	17.4	28.9	32.7	30.1	23.8
France	1.2	1.1	1.1	1.6	3.1	2.0	2.9
The Netherlands	106.9	99.2	74.7	54.0	83.2	53.8	72.0
Spain	15.9	11.1	6.7	12.1	12.8	6.9	9.0
Other	6.5	10.0	20.2	16.0	16.4	12.8	19.3
<u>Other Europe</u>	<u>7.6</u>	<u>0.3</u>	<u>2.8</u>	<u>6.2</u>	<u>2.7</u>	<u>1.7</u>	<u>14.2</u>
<u>Asia</u>	<u>48.9</u>	<u>53.8</u>	<u>42.1</u>	<u>34.0</u>	<u>54.2</u>	<u>38.6</u>	<u>52.9</u>
Japan	14.9	24.0	16.8	13.7	16.3	8.2	21.6
Other	34.0	29.8	25.3	20.3	37.8	30.4	31.3
<u>Africa</u>	<u>3.8</u>	<u>2.6</u>	<u>14.0</u>	<u>0.5</u>	<u>1.6</u>	<u>0.8</u>	<u>3.1</u>
<u>Rest of the world</u>	<u>0.1</u>	<u>0.3</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(In percent of total)							
<u>Total exports, f.o.b.</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
<u>North America (excluding Mexico)</u>	<u>68.3</u>	<u>65.7</u>	<u>62.7</u>	<u>60.7</u>	<u>61.0</u>	<u>62.0</u>	<u>59.9</u>
United States	58.8	56.0	53.9	47.5	52.3	53.1	49.2
Puerto Rico	7.9	7.7	7.1	8.4	6.3	6.3	6.2
Canada	1.6	2.0	1.7	4.9	2.5	2.5	4.5
<u>LAFTA</u>	<u>1.9</u>	<u>1.6</u>	<u>1.4</u>	<u>1.9</u>	<u>0.8</u>	<u>0.9</u>	<u>0.5</u>
Venezuela	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Other	1.8	1.5	1.2	1.8	0.7	0.7	0.5
<u>Other South American and Caribbean</u>	<u>2.0</u>	<u>2.4</u>	<u>4.0</u>	<u>7.3</u>	<u>6.1</u>	<u>5.7</u>	<u>6.2</u>
<u>European Community</u>	<u>19.6</u>	<u>21.6</u>	<u>21.4</u>	<u>22.0</u>	<u>23.0</u>	<u>22.6</u>	<u>21.5</u>
Belgium	1.8	3.1	3.1	5.7	5.1	6.5	4.0
France	0.2	0.2	0.2	0.3	0.5	0.4	0.5
The Netherlands	14.6	15.1	13.3	10.6	12.9	11.5	12.2
Spain	2.2	1.7	1.2	2.4	2.0	1.5	1.5
Other	0.9	1.5	3.6	3.1	2.5	2.7	3.3
<u>Other Europe</u>	<u>1.0</u>	<u>--</u>	<u>0.5</u>	<u>1.2</u>	<u>0.4</u>	<u>0.4</u>	<u>2.4</u>
<u>Asia</u>	<u>6.7</u>	<u>8.2</u>	<u>7.5</u>	<u>6.7</u>	<u>8.4</u>	<u>8.3</u>	<u>8.9</u>
Japan	2.0	3.6	3.0	2.7	2.5	1.8	3.7
Other	4.6	4.5	4.5	4.0	5.9	6.5	5.3
<u>Africa</u>	<u>0.5</u>	<u>0.4</u>	<u>2.5</u>	<u>0.1</u>	<u>0.3</u>	<u>0.2</u>	<u>0.5</u>
<u>Rest of the world</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

Source: Central Bank of the Dominican Republic.

Table 63. Dominican Republic: Imports of Petroleum and Derivatives

(Value in millions of U.S. dollars; volume in millions of barrels; and unit value in U.S. dollars per barrel)

	1990	1991	1992	1993	1994	Prel. 1995
Total						
Value	516.5	436.8	489.7	453.0	521.4	603.9
Volume	23.1	22.0	25.6	26.4	32.1	33.8
Unit value	22.4	19.7	19.1	17.2	16.2	17.9
Reconstituted crude petroleum						
Value	225.0	252.3	248.0	231.2	237.2	264.4
Volume	12.1	14.2	14.4	15.3	16.1	16.2
Unit value	18.8	17.8	17.2	15.1	14.7	16.3
Bunker fuel oil 1/						
Value	40.7	17.6	27.4	11.6	32.2	33.7
Volume	2.4	1.3	2.1	1.1	2.6	2.3
Unit value	17.0	13.5	13.0	10.5	12.4	14.7
Other derivatives 2/						
Value	250.8	166.9	214.3	210.2	252.1	305.8
Volume	8.6	6.7	9.1	10.0	13.4	15.3
Unit value	29.2	24.9	23.5	21.0	18.8	20.0
Memorandum item						
Coal (value)	5.0	11.7	13.0	10.3	4.1	2.4

Source: Central Bank of the Dominican Republic.

1/ Fuel oil classified under LUBRIDOM is included in "other derivatives."

2/ Includes diesel oil, gasoline, propane, asphalt, and lubricants.

Table 64. Dominican Republic: Public Sector External Debt by Creditor 1/

(In millions of U.S. dollars)

	December 31					Prel. 1995
	1990	1991	1992	1993	1994	
Total	4,499	4,611	4,413	4,559	3,918	3,993
Multilateral	1,080	1,093	1,106	1,171	1,229	1,294
Of which: IBRD	246	254	261	259	279	283
IDB	700	695	668	673	708	799
IDA	20	20	19	19	18	17
IFAD	18	15	13	14	14	13
IFC	--	--	--	--	--	--
IMF	73	87	123	186	190	160
OPEC Fund	22	23	22	21	21	20
Bilateral	2,301	2,288	2,028	2,010	1,929	1,872
Paris Club creditors	1,664	1,780	1,768	1,730	1,698	1,668
Of which: Canada	2	2	1	1	1	1
France	26	31	32	33	43	54
Germany	89	92	88	75	78	82
Japan	230	265	249	245	253	235
Spain	300	321	329	301	285	279
United States	973	1,003	1,011	1,013	978	956
Other bilateral	637	508	260	280	231	204
Of which: Argentina	36	30	30	24	--	--
Brazil	20	11	11	--	--	--
Taiwan Province of China	6	7	7	8	8	9
Mexico	139	--	--	26	--	--
Venezuela	392	434	182	198	203	659
Commercial banks	971	1,074	1,134	1,261	607	659
Suppliers and others	147	157	145	116	154	168

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Includes reserve liabilities of the Central Bank, unpaid debt service due, and unpaid late interest on arrears.

Table 65. Dominican Republic: Summary of External Debt 1/

(In millions of U.S. dollars)

	1990	1991	1992	1993	1994	Prel. 1995
<u>Debt outstanding</u>	<u>4,232</u>	<u>4,368</u>	<u>4,229</u>	<u>4,351</u>	<u>3,627</u>	<u>3,708</u>
<u>Nonfinancial public sector</u>	<u>2,801</u>	<u>2,973</u>	<u>2,974</u>	<u>3,108</u>	<u>2,786</u>	<u>2,824</u>
<u>Financial public sector</u>	<u>1,406</u>	<u>1,368</u>	<u>1,208</u>	<u>1,208</u>	<u>802</u>	<u>843</u>
Central Bank	1,399	1,362	1,204	1,207	796	820
Other	8	7	4	1	6	23
<u>Private sector, guaranteed</u>	<u>25</u>	<u>27</u>	<u>47</u>	<u>35</u>	<u>39</u>	<u>41</u>
<u>Net movements</u>	<u>562</u>	<u>135</u>	<u>-139</u>	<u>122</u>	<u>-724</u>	<u>80</u>
<u>Nonfinancial public sector</u>	<u>479</u>	<u>172</u>	<u>1</u>	<u>134</u>	<u>-322</u>	<u>38</u>
Medium and long term	490	172	1	109	-320	38
Disbursements	80	84	69	111	117	137
Amortizations	-173	-213	-162	-159	-183	-175
Adjustments 2/	583	301	94	156	-254	76
Short term	-11	--	--	26	-2	--
<u>Financial public sector</u>	<u>85</u>	<u>-38</u>	<u>-160</u>	<u>--</u>	<u>-406</u>	<u>40</u>
Central Bank	85	-37	-158	3	-411	24
Disbursements	61	66	41	25	22	49
Amortizations	-259	-71	-72	-73	-49	-48
Adjustments 2/	283	-32	-127	50	-384	23
Other	--	-1	-2	-3	5	17
Disbursements	--	--	--	--	5	18
Amortizations	-1	-1	-1	-1	-1	-1
Adjustments 2/	1	--	-1	-2	1	-1
<u>Private sector, guaranteed</u>	<u>-2</u>	<u>2</u>	<u>21</u>	<u>-12</u>	<u>4</u>	<u>2</u>
Disbursements	--	2	1	3	4	3
Amortizations	--	--	-1	-1	-1	-2
Adjustments 2/	-1	--	21	-14	1	1

Sources: Central Bank of the Dominican Republic; and Fund staff estimates.

1/ Excludes central bank reserve liabilities.

2/ Includes reclassifications, valuation effects, changes in stocks of arrears and reschedulings.

Table 66. Dominican Republic: Real Effective Exchange Rates and Related Series

	Real Effective Exchange Rate ^{1/2/}	Nominal Effective Exchange Rate	Relative Consumer Prices	Exchange Rate U.S. Cents per Dominican Pesos	Consumer Price Index (Seasonally Adjusted)	Consumer Price Index (Not Seasonally Adjusted)
(Indices: 1980 = 100)						
<u>Quarterly</u>						
<u>1990</u>						
I	71.7	37.0	193.5	15.0	727.3	735.1
II	66.9	33.4	200.4	12.9	799.0	782.9
III	64.3	28.3	228.7	11.0	945.2	936.8
IV	65.1	23.5	276.6	9.1	1,188.6	1,211.1
<u>1991</u>						
I	65.7	22.4	293.9	8.2	1,312.6	1,325.1
II	69.1	23.3	296.2	8.2	1,353.9	1,329.2
III	69.4	23.9	290.3	8.3	1,364.8	1,352.9
IV	67.4	24.3	277.4	8.3	1,357.6	1,379.5
<u>1992</u>						
I	67.1	25.2	266.6	8.3	1,359.7	1,371.2
II	68.6	25.9	264.4	8.3	1,401.6	1,381.5
III	67.5	26.1	258.3	8.3	1,423.3	1,412.7
IV	68.8	27.7	248.1	8.3	1,426.0	1,442.8
<u>1993</u>						
I	70.7	29.2	242.5	8.3	1,456.1	1,467.1
II	70.2	29.9	234.6	8.3	1,476.0	1,461.2
III	71.0	31.6	225.1	8.3	1,488.0	1,479.8
IV	70.9	33.3	213.1	8.3	1,486.3	1,497.6
<u>Monthly</u>						
<u>1994</u>						
January	71.2	34.6	205.8	8.3	1,493.5	1,512.6
February	71.9	35.0	205.3	8.3	1,520.7	1,529.1
March	72.5	35.5	204.4	8.3	1,546.2	1,545.0
April	73.7	36.2	204.0	8.3	1,573.0	1,562.8
May	74.3	36.7	202.5	8.3	1,592.5	1,578.9
June	74.3	37.3	199.2	8.3	1,602.4	1,593.1
July	73.1	37.1	197.1	8.3	1,608.7	1,596.0
August	73.1	37.0	197.7	8.3	1,622.5	1,614.4
September	71.5	36.0	198.8	8.1	1,636.0	1,636.0
October	71.2	35.5	200.5	8.1	1,653.9	1,655.5
November	71.5	35.6	200.9	8.1	1,664.5	1,669.6
December	73.4	35.9	204.7	8.1	1,701.2	1,717.1
<u>1995</u>						
January	73.6	35.7	206.5	8.1	1,723.3	1,743.5
February	73.4	35.3	208.0	8.0	1,741.7	1,750.3
March	73.0	34.8	210.1	8.0	1,765.6	1,764.6
April	72.0	34.3	209.8	8.0	1,770.8	1,762.2
May	72.4	34.4	210.3	8.0	1,781.0	1,769.7
June	72.1	34.3	210.4	8.0	1,788.0	1,780.9
July	72.6	34.3	211.8	8.0	1,804.6	1,792.6
August	74.2	34.8	213.3	8.0	1,821.9	1,812.8
September	75.7	35.2	215.3	8.0	1,842.3	1,840.9
October	75.8	35.0	216.3	8.0	1,855.4	1,854.2
November	76.3	35.1	217.2	8.0	1,868.6	1,871.3
December	76.7	35.5	215.8	8.0	1,861.6	1,875.3
(Percentage change)						
<u>1995</u>						
December ^{3/}	4.5	-1.1	5.4	-1.2	9.4	9.2

Source: International Monetary Fund, Information Notice System.

^{1/} Increases mean appreciation.^{2/} Using seasonally adjusted price indices.^{3/} From end-1994.

Table 67. Dominican Republic: Selected Social Indicators of Development, 1988-93 1/

	Dominican Republic	Latin America and Caribbean 2/
Human resources		
Population (thousands, 1993)	7,543	466,304
Urban (percentage of population)	62.9	71.2
Population annual growth rate (percent)	2.1	2.0
Urban	3.4	1.9
Total labor force (between 15 and 64 years, in thousands)	2,384	169,839
Natural resources		
Area (thousand sq. km.)	48.7	20,505.9
Density (population per sq. kilometer)	151.6	22.3
Agricultural land (percentage of land area)	73.2	40.0
Agricultural land under irrigation (percentage)	6.5	3.4
Health		
Infant mortality (per thousand live births)	40.4	43.0
Under 5 mortality rate	48.0	52.2
Life expectancy at birth (years)		
Overall	70.0	69.0
Female	74.1	74.3
Immunised under five months (percent of group)		
Measles	69.0	78.7
DPT	47.0	73.7
Oral rehydration therapy under five (percent of cases)	37.0	61.0
Access to safe water (percent of population)	62.4	80.0
Urban	86.1	90.1
Rural	28.4	57.6
Nutrition		
Cereals imports (thousands of metric tons)	961	27,700
Food production per capita (index 1987 = 100)	97	101.0
Education		
Gross enrollment ratios (percent of school age group)		
Primary	95	107
Secondary	51	47
Pupil-student ratio (pupils per teachers)		
Primary	33	26
Secondary	37	--
Illiteracy rate (percent of population over 15 +)	17	15
Newspaper circulation (per thousand ed population)	36	85
Women		
Enrollment ratio (percent of school age group)		
Primary	96	--
Secondary	57	52.8
Illiteracy rate (percent of females over 15 +)	18	17
Labor force (percent of total)	16	27

Source: World Bank Social Indicators of Development.

1/ Most recent estimates.

2/ Of the same income group.