

INTERNATIONAL MONETARY FUND



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## **Dominican Republic—Statistical Annex**

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INTERNATIONAL MONETARY FUND

DOMINICAN REPUBLIC

Statistical Annex

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May 26, 1995

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Dominican Republic: Basic Data

Social and demographic indicators

Area	48,400 sq. kilometers
Population (mid-1994)	7.8 million
Annual rate of population increase (1980-1992)	2.6 percent
Crude birth rate (1992)	27.4 per 1,000
Crude death rate (1992)	6.2 per 1,000
Infant mortality (per thousand) (1992)	54.2 years
Life expectancy at birth	67.0 years
Population per physician (in thousands)	1,765
Enrollment rates (percent)	
Primary	95.0 percent
Secondary	74.0 percent
Daily intake of calories per capita (1992)	2,359
Daily intake of protein (grams)	48

<u>GDP (1994)</u>	RD\$137.2 billion
	US\$10.9 billion
<u>GDP per capita (1994)</u>	US\$1,393.0

	1991	1992	Prel. 1993	Proj. 1994
<u>Origin of GDP</u>				
		(In percent)		
Agriculture, fishing, and forestry	16.5	17.5	18.0	18.0
Mining and manufacturing	18.7	19.4	19.7	19.7
Construction	8.0	10.0	8.0	8.0
Commerce, transportation, and communication	17.9	19.6	22.9	22.9
Government	8.2	8.3	8.8	8.8
Other	30.2	32.4	22.6	22.6

Ratios to GDP

Exports of goods and nonfactor services	23.2	21.3	22.9	22.3
Imports of goods and nonfactor services	-27.6	-30.4	-27.4	-26.5
Current account of the balance of payments	-3.1	-7.6	-2.0	-1.2
Public sector revenues	14.9	17.2	18.2	17.4
Public sector expenditures <u>1/</u>	16.4	17.8	20.0	20.3
Public sector savings <u>2/</u>	5.7	8.2	8.1	3.0
Public sector overall balance <u>3/</u>	0.1	1.2	-0.2	-2.9
Gross national savings	17.9	14.7	21.8	23.5
Gross domestic investment	20.9	22.3	23.8	24.7
Money and quasi-money <u>4/</u>	24.1	27.9	31.3	30.8
External debt (end of period)	57.6	49.1	47.3	36.0
External public debt-service ratio <u>5/</u>	27.5	21.9	18.2	14.3
Of which: interest payments <u>5/</u>	13.5	10.9	7.8	5.8

Annual percentage changes in selected economic indicators

Real per capita consumption	5.1	8.6	-9.4	0.8
Real GDP	0.8	7.8	3.0	4.3
GDP at current prices	54.3	12.3	7.3	13.8
Domestic expenditures (at current prices)	53.0	17.4	2.8	13.4
Investment	38.9	19.4	14.6	18.1
Consumption	57.0	16.9	-0.3	12.0
GDP deflator	53.0	4.2	4.2	9.1
Consumer prices (end of year)	7.9	5.1	2.8	14.3
Consumer prices (annual average)	47.1	4.3	5.2	8.3
Public sector revenue	81.7	29.6	13.4	9.2
Public sector expenditure <u>1/</u>	62.5	21.6	20.9	15.5
Money and quasi-money in domestic currency (M-2)	37.2	26.6	26.7	8.3
Money	13.6	7.0	10.5	0.9
Quasi-money	23.6	19.6	16.2	7.3
Domestic credit (net) <u>6/</u>	13.2	12.1	8.8	25.3
Credit to the public sector (net)	-10.2	-8.4	-0.3	9.8
Credit to the private sector	15.3	18.6	10.1	7.9
Interest rates				
Lending <u>7/</u>	34.4	29.7	24.9	30.2
Saving <u>8/</u>	18.5	16.7	8.3	18.0
Merchandise exports (f.o.b. in U.S. dollars)	-10.4	-14.6	-9.1	19.0
Merchandise imports (f.o.b. in U.S. dollars)	-3.6	25.8	-2.6	7.9

	1991	1992	Prel. 1993	Proj. 1994
<u>Public sector finances</u>	<u>(In millions of Dominican pesos)</u>			
Revenue	14,902.6	19,315.6	21,899.0	23,922.3
Expenditure	16,418.6	19,965.9	24,142.1	27,892.0
Current account surplus or deficit (-) <u>2/</u>	5,662.2	9,232.1	9,763.3	10,962.6
<u>Balance of payments</u>	<u>(In millions of U.S. dollars)</u>			
Merchandise exports (f.o.b.)	658.3	562.1	511.0	608.2
Merchandise imports (f.o.b.)	-1,728.8	-2,174.6	-2,119.0	-2,286.8
Interest payments	-295.4	-245.7	-199.7	-164.6
Travel	755.6	841.0	1,070.4	1,147.5
Other services and transfers (net)	364.3	336.6	543.9	561.1
Balance of current and transfer accounts	-246.0	-680.6	-193.4	-134.6
Official capital (net)	-133.1	-123.8	-66.9	-86.0
Private capital (net) <u>9/</u>	448.4	714.8	284.2	-132.2
Overall balance	68.7	-89.6	23.9	-352.8
Change in net international reserves (increase -)	-380.0	-123.5	-131.8	469.6
Arrears (excluding reserve liabilities)	-663.0	-29.0	-3.3	55.2
Debt relief	974.4	242.0	111.2	--
Debt buyback	--	--	--	-172.3
<u>International reserve position December 31</u>	<u>(In millions of U.S. dollars, end of period)</u>			
Central Bank (gross)	426.2	489.7	645.7	259.1
Central Bank (net)	182.5	306.0	437.8	-31.8
Rest of banking system (net)	66.0	76.2	117.3	78.2
Official gross reserves in months of imports	3.0	2.7	3.7	1.4
Official external debt <u>10/</u>	4,611.5	4,412.8	4,558.8	3,918.3
<u>IMF data (as of April 30, 1994)</u>				
Article VIII status				
Intervention currency and rate (mid-point)	U.S. dollar at RD\$12.96			
Quota	SDR 158.00 million			
Fund holdings of Dominican pesos	SDR 283.07 million			
As percent of quota	178.26			
Total Fund credit	SDR 124.27 million			
Credit tranche purchases (including SBA)	SDR 56.04 million			
EFF purchases	--			
CFF purchases	SDR 68.23 million			
Special Drawing Rights Department				
Cumulative SDR allocation	SDR 31.58 million			
Net acquisition or utilization of SDRs	SDR 30.92 million			
Holdings of SDRs	SDR 0.66 million			
Share of profits from gold	US\$6.82 million			
Gold distribution (fine ounces)	36,879,979			

- 1/ On accrual basis; includes interest payments on the Central Bank's medium- and long-term debt.
- 2/ Includes Central bank losses.
- 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 90 days maturity. Prior to 1991, these rates include commissions.
- 8/ Interest on certificates of deposits with up to 180 days maturity.
- 9/ Includes errors and omissions.
- 10/ Refers to medium- and long-term debt of the public sector, including Fund credit.



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The Uruguay Round and its Implications for the Dominican Republic

1. Introduction

The Uruguay Round Agreement took effect on January 1, 1995 after more than seven years of intensive negotiations. It is the most comprehensive pact since the General Agreement on Tariffs and Trade (GATT) of 1947, covering trade in goods, services, Trade Related Intellectual Property (TRIPs), and Trade Related Investment Measures (TRIMs). The World Trade Organization (WTO), which came into force at this time, will be responsible for administering the new set of multilateral rules and disciplines that emerged from these negotiations.

While there is some uncertainty about the potential effects of the Agreement on different groups of countries, preliminary studies indicate gains for the world economy as a whole, with far-reaching implications for both industrial and developing countries. Estimates by the WTO Secretariat show a total gain of US\$510 billion in real world income following implementation of the Agreement, with real income gains of US\$116 billion for developing countries. Any adverse effects are expected to be outweighed by the potential benefits arising from a more stable and open world trading system.

The following discussion highlights some of the main features of the Uruguay Round Agreement and analyzes their potential implications for the Dominican Republic both at the economy-wide level and for specific sectors, products, and markets.

2. Key features of the Uruguay Round Agreement

a. Market access

The Uruguay Round Agreement is expected to increase market access for agricultural and industrial exports due to tariff reductions, elimination of various nontariff barriers, and increased prevalence of tariff bindings. Industrial countries will reduce their import-weighted average bound tariff on industrial products from 6 percent to 3.6 percent over a five-year period. Tariffs on agricultural products will decline on average by 37 percent in industrialized countries and by 24 percent in developing countries with minimum cuts of 10 to 15 percent on each tariff line. Nontariff barriers such as voluntary export restraints will be reduced increasing export opportunities in products like iron and steel, agriculture, and footwear that have most often been subject to such restrictions. The Agreement will also result in increased tariff bindings for both industrial and agricultural products with 83 percent of industrial product tariff lines and nearly 100 percent of agricultural tariff lines being bound following implementation of the Agreement. This is likely to increase predictability of market access in both developing and industrialized countries.

b. Integration of new sectors and issues into international trade

The Uruguay Round Agreement incorporates new and important sectors into the multilateral system of rules and disciplines. These include agriculture, textiles and clothing, and services. In agriculture, the Agreement requires countries to commit to reducing domestic market support and export subsidies and eliminating quantitative restrictions on agricultural imports. In the case of textiles and clothing, the Agreement will lead to the eventual elimination of the Multi-Fiber Agreement (MFA) over a ten-year transition period. In the service sector, the General Agreement on Trade in Services requires countries to commit to Most Favored Nation (MFN) treatment, and increased transparency and market access.

The Uruguay Round Agreement also introduces TRIPs and TRIMs into the multilateral domain. The Agreement on TRIPs sets standards to protect intellectual property rights including patents, industrial designs, and copyrights, and obliges signatories to commit to the principles of national treatment and MFN. <sup>1/</sup> The Agreement on TRIMs prohibits arrangements such as minimum local content and trade balancing requirements that act effectively as trade barriers.

3. Implications for the Dominican Republic

The ratification of the Uruguay Round Agreement has several implications for the Dominican Republic. Certain regulatory and legislative reforms will have to be addressed, some new specific institutional mechanisms developed, and several commitments will have to be implemented. In addition, the competitiveness of the Dominican Republic regarding several export products may be affected.

a. Regulatory and legislative reforms

The main regulatory and legislative reform required as a result of the Uruguay Round Agreement concerns the adoption of the GATT Customs Valuation Code (CVA). Under this code, all tariffs are to be applied to the transaction value of imports as reflected in the importer's invoice. Currently, the Dominican Republic has a discretionary customs valuation list which is not necessarily based in the reported invoice value and the authorities have opted for a five-year grace period before adopting the CVA. During this transition period, they must communicate a reduced list of minimum prices

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<sup>1/</sup> Under the principles of national treatment and MFN countries are expected to grant a nondiscriminatory treatment to all trading partners.

for items that are most likely to be affected by this code and must move toward harmonizing national legislation with the CVA by 2002. 1/

Another important regulatory reform concerns antidumping duties. Under GATT Article VI, the country needs to pass an antidumping law (currently nonexistent) to allow such measures to be taken against imports with prices below "normal" values (most importantly, below the cost of production in the exporting country). National regulations, laws, and proceedings must be made consistent with the 1994 GATT antidumping code. Criteria for the application of such duties and national damage must be demonstrated to the WTO's Committee for the Resolution of Differences.

Legislative reform is also required in the area of domestic production and export subsidies. Under the Uruguay Round Agreement, all subsidies must be eliminated, with a grace period of 8 years for less developed countries. Exports of coffee and cocoa have occasionally been subsidized in the Dominican Republic to compensate producers for adverse changes in international prices. The Dominican Republic is one of several signatories to the Uruguay Round Agreement that have submitted a schedule of commitments which do not maintain export subsidies.

The Dominican Republic has committed to unifying all import charges (inclusive of additional customs charges and selective consumption taxes imposed on certain imports) to no more than a harmonized level of 40 percent. Legislation to implement this commitment was adopted in 1994 and a remaining import surcharge will be eliminated in mid-1995. Further legislative and regulatory changes may, however, be required to conform to the principles of national treatment, nondiscrimination, and transparency.

Legislative changes will also be required with regard to import licensing procedures. Presently, import licenses are granted to various public and private enterprises to import products such as petroleum, grains, food products, cereals, peas, rice, etc. Under the Uruguay Round Agreement, beneficiaries must be notified of the impending termination of these licenses.

New regulations are also required to enable the country to fulfill its commitments in services and in the area of intellectual property rights. National legislation will need to conform with the harmonized norms by July 1996 in the case of services and by July 2002 in the case of intellectual property rights. Institutional mechanisms will also need to be created in order to implement these rules.

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1/ The adoption of the CVA is likely to reduce fiscal receipts given that a large part of public revenues are trade based (about 45 percent of the total) and that in general the importer invoice prices on which import taxes will apply will be lower than the current list prices for imports. This highlights the importance of improving tax administration and developing alternative revenue sources.

b. Institutional aspects

In addition to legislative reforms, appropriate institutional mechanisms also need to be developed. It has been proposed that an institute for external trade with specific mandate on the interpretation and administration of laws required under the Uruguay Round Agreement be created. This institution would be involved in bilateral, regional, and multilateral trade negotiations, trade studies, and export and investment promotion activities. A national office of intellectual property is also under consideration. Institutional design will aim at improving transparency in the administration of trade in the country.

c. Sectoral commitments

Implementation of the Agreement would affect agriculture in particular. By June 1995 the country is required to eliminate all quantitative restrictions on agricultural imports, including prohibitions, floors on import prices, discretionary import licenses, any restrictive measures on agricultural products, and any similar measures affecting agricultural imports. All quantitative restrictions must be replaced by tariffs, with a maximum rate of 40 percent, to be subsequently reduced to 36 percent over a ten-year grace period.

The Dominican Republic has also made several commitments in 68 service sector activities. These commitments include the extension of MFN treatment to services, increasing the transparency of rules and regulations, the communication of reciprocal measures to the WTO by July 1996, the elimination of all restrictions on services related to current account transactions, and the application of all measures on a reasonable, objective, and impartial basis. The Dominican Republic has made both horizontal (across-the-board) and specific concessions. Horizontally, it has made regulations on services more uniform in its recently submitted draft law on foreign investment which would accord equal treatment to foreigners in all services, barring some sectors of national interest. Specific concessions have been made with regard to market access and national treatment in the service sectors of construction, tourism, transportation, financial services, telecommunications, and information services, although the extent and coverage of the commitments vary across these activities.

d. Implications for exporting activities

Preliminary studies analyzing the potential impact of the Uruguay Round Agreement on the Dominican Republic indicate that the scope for gains in terms of market access is small and that, potentially, there may be some adverse effects. This is due to the fact that the majority of the country's exports currently enter their main markets duty free or are subject to very low tariffs under various preferential schemes. Thus, the margin for further gains from tariff reductions by trading partners is small. According to these studies, the primary impact of the Agreement on the Dominican Republic will be a reduction in the country's preference margins

under the Caribbean Basin Initiative (CBI) in the United States, <sup>1/</sup> under the Lome Convention protocols in the European Union, and under the Generalized System of Preferences (GSP) in Japan, due to generalized MFN tariff reductions. The following discussion summarizes some of the market access and preference erosion-related effects on Dominican exports to these three important industrial markets.

(1) United States

Exports by the Dominican Republic to the United States account for close to half of the country's total exports. More than 400 categories of exports exceed US\$100,000 in value. For certain products such as textiles and clothing exports, the United States is the single largest market, accounting for about 90 percent of exports of these items from the free trade zones. Thus, given the significance of this market and the fact that many of the Dominican Republic's exports to the United States receive preferential treatment under the CBI, the effects of the Uruguay Round Agreement are likely to be the most significant in this market.

Preference erosion is the main effect of the Agreement on exports by the Dominican Republic to the U.S. market. To analyze this effect it is convenient to classify these exports under four categories. Firstly, there are exports that will experience no change in preference margins as they are not covered by the U.S. concessions. These include basic products like ferronickel, precious metals, cocoa and products, and coffee. Secondly, some exports will suffer no preference erosion since the U.S. tariff on these products was zero prior to the Agreement. These include various agroindustrial and manufactured products that previously entered without preferential treatment. Thirdly, there are exports that may face a complete reduction in their preference margins, i.e., products for which the MFN tariff will be reduced to zero due to the U.S. offer. It is estimated that Dominican exports representing about 14 percent of the total value of exports to the United States fall under this category, including products like footwear, electrical equipment, instruments, and machinery and parts. Finally, some exports will experience a partial reduction in their preference margins in the U.S. market due to a partial reduction in MFN tariffs. It is estimated that exports representing about 68 percent of the total value of exports to the United States fall under this category, including various clothing items (which do not receive preferential treatment under the GSP or CBI schemes) and other products like tobacco, machinery, and electrical parts. However, for many of the exports in this latter category, preference margins will not be reduced substantially since MFN tariffs will continue to be high on many of these products, especially on clothing exports.

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<sup>1/</sup> The CBI is a trade program introduced by the U.S. Government in 1984. It is a one-way preferential trade program that allows selected Caribbean countries duty-free access to the U.S. market. It excludes several categories of exports including textiles and apparel, petroleum products, leather goods, canned tuna, and watches.

The Uruguay Round Agreement will also create some challenges for Dominican textiles and clothing exporters in the U.S. market due to the phaseout of the MFA. 1/ Textiles and clothing items will be integrated over a period of ten years into the international trading system and quota allocations to MFA exporting countries will be increased by specified amounts for nonintegrated textiles and clothing products. 2/ Although the discretionary nature of liberalization in this sector makes it difficult to assess the implications for the Dominican Republic, the allocation of increased quotas to previously restricted MFA suppliers is likely to create increased competition for Dominican exporters in the U.S. market. This is all the more significant given the exclusion of Dominican textiles and apparel exports from duty-free treatment under the CBI and recent concerns over Mexico's preferential access to the United States under the North American Free Trade Agreement (NAFTA). 3/

(2) European Union

Exports by the Dominican Republic to the European Union account for about 23 percent of the country's total exports. There are 54 categories of exports that exceed US\$100,000 in value although six exports account for about 80 percent of the total value of exports to this market.

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1/ The elimination of the MFA will also affect the Dominican Republic's textiles and clothing exports to other industrial markets. However, given that the bulk of the country's exports in this sector is absorbed by the United States, the implications are particularly significant in this market. Most of the Dominican Republic's apparel exports to the United States are produced under an offshore assembly program allowed by section 807 of the U.S. tariff code. This code allows garments to be assembled in the region from fabric made and cut in the United States, and re-exported to the United States with duty paid on the value added in assembly.

2/ The Dominican Republic does not participate in the MFA and thus will not benefit from increased market access.

3/ The approval of NAFTA has caused concern among Caribbean textiles and clothing exporters given the possibility of trade and investment diversion to Mexico, which has preferential access to the U.S. market. This has led to demands for NAFTA parity on the part of these countries. An interim trade proposal was offered by the U.S. Administration, granting Caribbean exporters increased access for textiles and garments to the U.S. market as part of the implementing legislation for the Uruguay Round negotiations. However, this proposal was withdrawn due to pressure from domestic textiles and clothing producers in the United States. More recently, the Caribbean Basin Trade Security Act was introduced, offering increased preferential access for Caribbean textiles and apparel exports to the U.S. market over the next six years, following which the CBI countries would join the NAFTA or negotiate individual trade agreements with the United States. This legislation is currently pending Congressional approval and the outcome will be significant for determining the extent to which CBI countries, including the Dominican Republic, will be able to exploit their comparative advantage in this sector.

Although the European Union offer covers 50 of the 54 categories of exports by the Dominican Republic to this market, the gains related to market access are likely to be small since most of the covered exports already enter duty free or under very low tariffs at preferential rates under the Lome protocols. Instead, the main effects in this market are again more in the form of preference erosion.

The main export item that will be affected by preference erosion in the European Union market is coffee. Coffee imports into the European Union will face a complete elimination of tariffs, regardless of the country of origin, from their current MFN tariff rate of 5 percent and the GSP rate of 4 percent. This may significantly reduce the Dominican Republic's preference margin for this product and may adversely affect its coffee exports to the European Union. Other products that may experience preference erosion include some nontraditional exports such as clothing, leather, electrical machinery, and other equipment. For instance, the MFN tariff on machinery equipment will be lowered from 44 percent to between 1.7 and 3.7 percent. Since Dominican exports of these products currently enter the European Union duty free, the country will face increased competition from previously restricted suppliers.

Most traditional exports by the Dominican Republic to the European Union will not experience any changes in terms of market access or preferential status. For instance, ferronickel which accounts for 36 percent of total exports to the European Union will experience no change in market access as it is not included in the European Union's market offer. Banana exports, accounting for 13 percent of total exports to the European Union, will experience a reduction in MFN tariffs from 60 to 48 percent. However, since market access for bananas is determined mainly by European Union quotas and the Dominican Republic's banana exports to the European Union enter duty free under ACP preferences, the market access gains from these tariff reductions will arise only to the extent that any existing exportable surplus beyond the country's assigned quota will now be subject to lower tariffs. Tobacco, another important export by the Dominican Republic to the European Union, will experience an MFN tariff reduction from 14 percent to 11.2 percent. Since the country's tobacco exports enter the European Union market duty free, a substantial preference margin will remain.

### (3) Japan

Exports by the Dominican Republic to Japan account for less than 3 percent of the country's total exports. Only five categories of exports to Japan exceed US\$100,000 in value. Thus, most effects of the Uruguay Round Agreement in this market are not likely to be large.

Exports by the Dominican Republic to Japan will experience no significant increase in market access. Some exports will, however, experience a reduction in preference margins. Ferronickel, which is the country's main export to Japan (85 percent of total exports to this market), will experience an MFN tariff reduction from 6.5 percent to 3.3 percent.



Since the Dominican Republic's exports of ferronickel currently enter the Japanese market duty free, the proposed MFN tariff reduction will cause a 50 percent reduction in the country's preference margin for this product. Similarly, MFN tariff reductions on some clothing items like children's trousers and hat exports will narrow the preference margin received on these products by the Dominican Republic. Although some preference margin will still be maintained in clothing exports, Dominican exports of these products may face increased competition from other efficient suppliers in the Japanese market.

#### 4. Concluding remarks

The recent signing of the Uruguay Round Agreement by the Dominican Republic is an important step toward the integration of the country into the world economy. Several implications of the Agreement for the Dominican Republic are worth noting.

First, legislative and regulatory reforms will be required to implement the commitments made under the Agreement. Some institution building will also be necessary to ensure a proper administration of the new normative framework and adequate capabilities for trade negotiations.

Second, the gains arising from market access are likely to be small. The fact that the majority of the country's exports currently enjoy preferential status in industrial markets leave little room for further gains from tariff cuts.

Third, the preferential status of some important exports to markets like the United States, the European Union, and Japan will be affected. Exports of coffee, textiles and clothing, and some industrial products such as electrical parts and machinery will experience a decline in their preference margins following MFN tariff reductions and elimination of other restrictive arrangements. As a result, Dominican exporters of these products will face, over the next five to ten years, increasing competition from efficient suppliers from other countries which may adversely affect export performance for these products.

Finally, there is a potential fiscal impact. While trade-based revenues may rise with increased imports following the lifting of import prohibitions and general import liberalization, the adoption of the customs valuation code and the lowering of tariffs are likely to reduce fiscal receipts. On balance, trade-based tax revenues which have traditionally been a major source of government revenue are likely to fall, creating the need to develop alternative sources of fiscal revenue and improving tax administration.

In concluding, it must be pointed out that to date much of the work related to assessing the implications of the Uruguay Round Agreement for different countries is preliminary in nature. Furthermore, the discretionary and phased nature of liberalization under the Uruguay Round Agreement makes it difficult to assess the severity and timing of many of

these effects. It is clear, however, that with appropriate and timely domestic policy responses and an early identification of the potential problems and issues that need to be addressed, the Dominican Republic should be able to overcome the challenges posed by the Uruguay Round Agreement.

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### Recent Reforms in Banking Supervision and Regulation

Since June 1993 progress in the reform of banking supervision and regulation in the Dominican Republic has been sustained and substantive. In less than two years, banking supervision and regulation has evolved from practically nonexistence into a framework consistent with international standards. Attention was given to the incorporation of particular features of the local financial system and reasonable transitional arrangements were included. This appendix describes the main reforms in this area and discusses some indicators on the health of the financial institutions.

#### 1. Main reforms

Starting in June 1993, the Dominican authorities adopted a new approach toward banking supervision and regulation. In the context of their financial sector reform framework, banking supervision will focus on the analysis of the portfolio quality and the financial position of financial institutions. This approach marks an important departure from the traditional approach of focusing on the performance of financial institutions regarding the fulfillment of legalistic and administrative norms. The new approach will also focus on improving transparency in the financial sector regarding prudential regulations, accounting, and disclosure of information of financial institutions.

##### a. Institutional reform

A first step in the process of reform was the restructuring of the institutional organization of the Superintendency of Banks itself. The restructuring included a substantive reform of procedures and internal controls, and a plan for the training of personnel and the development of human resources in the medium term.

##### b. Regulatory reform

It is generally accepted that financial institutions should maintain adequate capital and reserves for general, unforeseen risks inherent in the banking business, and make provisions for calculable losses that arise or are likely to arise during the life of a specific asset. Along these lines, three new key regulations have been introduced: (i) a risk-based capital ratio; (ii) provisioning based on a careful assessment of loan portfolios; and (iii) limits on lending to individuals and related interests. Some transitional periods have been established to implement the new regulations, to assess financial institutions portfolios, and to publish the relevant information. The main objectives of the new regulatory framework are to identify problems in financial institutions, build in appropriate capital and reserves, develop adequate early warning indicators, minimize risk concentration, and make available to depositors relevant information on the management and performance of financial institutions.

(1) Norms on capital requirements

An immediate objective in the process of reform was to assess the adequacy of capital of the financial institutions with a view to gradually attain an appropriate capital base and improve the soundness of financial institutions and the stability of the financial system. The Basle capital standards and recommendations were main guidelines in this process.

Various steps included the definition of capital, the establishment of adequate weights to assess the different assets according to risk, the definition of relevant capital ratios, and the establishment and implementation of adequate transitional mechanisms. Relevant regulation in this regard was issued in December 1992.

Capital and reserves were defined to include only paid capital and disclosed reserves (core capital) as well as profits of previous years that have been retained, and voluntary reserves (supplemental capital). This measure of capital and reserves is to be used by financial institutions to calculate the legal and technical ratios. The amount of outstanding off-balance sheet (contingent) operations were limited not to exceed three times the capital and reserves of financial institutions. Financial institutions were instructed to maintain, as a minimum and at any time, a 10 percent ratio of capital and reserves to their risk-weighted assets and off-balance sheet items. Risk weights were established as indicated in the following table:

Dominican Republic: Main Risk Weights for Solvency Regulations

Asset	Risk Weight
1. Cash, claims on the Central Bank, and securities issued or guaranteed by the Government.	0 percent
2. Mortgage loans	60 percent
3. Inter-bank loans	40 percent
4. Claims on foreign banks	40 percent
5. Loans collateralized with deposits in the same bank or letters of credit confirmed by local or foreign banks	15 percent
6. Contingent operations on letters of credit for imports of insured merchandise	35 percent
7. Other off-balance sheet operations	40 percent
8. All other loans, financial investments, and assets	100 percent

Source: Superintendency of Banks of the Dominican Republic.

(2) Norms on provisioning

The authorities recognized that without adequate provisioning, a financial institution's compliance with the capital ratio could be insufficient to ensure its soundness. There was a need to spell out clear rules for provisioning and to ensure their enforcement. Regulations in this regard were issued in December 1992, June 1993, and September 1994.

Provisioning needs will be determined on the basis of the assessment and classification of financial institutions assets. Loans will be classified according to the debtors payment record and capacity to repay, and the quality of the collateral backing the loan. Investments in financial instruments and securities will be assessed according to the solvency and liquidity position of the issuer. Risks associated with fixed assets and goods received in pay will be based on an assessment of their commercial value vis-a-vis their accounting value. Specific provisions are to be constituted according to the classification of assets and are indicated below. Additional (generic and individual) provisions were also to be constituted for a variety of circumstances affecting the assets of financial institutions, or when the Superintendency of Banks considers it necessary.

Dominican Republic: Required Provisions on Assets

Asset	Provision
1. <u>Loans and investments</u>	<u>(Percent of outstanding balances)</u>
a. Normal risk	0
b. Potential risk	1
c. Real risk	10
d. Significant risk	20
e. High risk	40
f. Very high risk	60
g. Uncollectible loan	100
2. <u>Assets</u>	<u>(Percent of the difference between the market and the accounting values)</u>
a. Fixed assets	100
b. Goods received in pay	100

Source: Superintendency of Banks of the Dominican Republic.

(3) Limits on lending

Limits on lending were established to minimize risk concentration. Noncollateralized loans to a person or institution cannot exceed 15 percent of the capital and reserves of a financial institution. In the case of

collateralized loans the limit is 30 percent of capital and reserves. The same limits apply in the case of lending to related interests (directors, managers, and staff of the financial institution and their relatives) and to shareholders (persons or institutions owning more than 3 percent of the paid capital of the financial institution). In addition, the total amount of loans granted to all related interests and shareholders cannot exceed 100 percent of the financial institution capital and reserves.

(4) Transitional arrangements

Transitional arrangements were established for the implementation of the new regulatory framework. The classification of financial institutions assets has to be done in four semiannual stages. In the first stage, the financial institutions were to classify loans to their 30 major debtors; in the second stage, the classification should be extended to comprise their 80 major debtors; in the third stage, loans to the their 160 major debtors, together with the whole investment portfolio, fixed assets, and goods received in pay should be assessed; and in the last stage, loans to the 300 major debtors or 80 percent of the loan portfolio, and 100 percent of consumption and mortgage loans should be included in the classification. After the last stage is completed, financial institutions would have to conduct classifications semiannually on the basis of requirements set for the last stage. Therefore, the total amount of provisions would be determined over a period of two years. Provisions will have to be constituted over a period of six years (counting from the beginning of the first stage) at a pace of 1.39 percent per month.

Regarding the solvency index, the Superintendency of Banks established that financial institutions will have to meet a ratio of 8 percent (the Basle standard) immediately, and increase it to 10 percent over a period of six years at a pace of 1/6 of 2 percent per year.

(5) Sanctions

Financial institutions not complying with the solvency index are forbidden to grant new loans or make new investments, are to deposit any increase in liabilities or collection of credit with the Central Bank, and will not be able to distribute profits or access the central bank credit facilities. The affected institution will be given a term (which will not exceed 90 days) after which the institution will be intervened with the objective of requiring a forced liquidation. Other specific sanctions were established for institutions not complying with the requirements on provisioning, limits on lending to individuals and related interest, and deficiencies regarding the information to be kept by the institutions, as well as the required flows of information to the Superintendency of Banks.

2. Implications of the new regulations

The implementation of the new regulatory framework had several implications. Most important were the immediate liquidation of a group of small institutions and the identification of deficiencies in most other

institutions regarding the assessment of portfolios, provisioning, and the solvency index.

a. Program for the financial institutions in liquidation

The implementation of the new regulatory framework in June 1993 brought immediately into the open the deficiencies of some 34 financial institutions with serious solvency problems. The authorities decided to liquidate these institutions and pay back their depositors. The program of liquidation of these institutions has the following features:

- (1) there should be an order of liquidation issued by the Courts;
- (2) assets and liabilities of these institutions should be surveyed, cleaned up of irregular operations, and validated;
- (3) the Superintendency of Banks will transfer the assets of financial institutions being liquidated to the Central Bank which will seek to sell them; and
- (4) the Central Bank assumes the responsibility of reimbursing depositors of these institutions. Validated deposits in amounts of up to RD\$50,000 (US\$4,000) would be paid in cash; validated deposits exceeding RD\$50,000 would be paid in one-year central bank participation certificates yielding an annual interest rate of 10 percent.

b. The assessment of banks portfolios: findings and actions

(1) Procedures

With a view to assess the quality of banks portfolios and determine the adequacy of provisions and capital in light of the new regulations, the Superintendency of Banks began a process of assessment and classification of banks loans. Based on the financial institutions statements as of June 30, 1993, and December 31, 1993, the Superintendency of Banks proceeded to select the main institutions to be inspected taking into account the relative importance of their loan portfolio. Then, inspectors were sent to the targeted institutions to validate the information, identify the major borrowers, and corroborate the information regarding debts and debtors. Based on this information, the Superintendency of Banks proceeded to revise and analyze the classification of loans according to risk made by the targeted financial institutions, to confirm or observe these classifications, and to determine the need to reclassify loans and constitute the needed provisions according to the new regulations.

A total of 163 financial institutions were targeted for the inspection (14 commercial banks, 19 savings and loan associations, 20 development banks, 5 mortgage banks, and 105 finance companies (financieras)) which concentrated over 90 percent of total loans as of end-December 1993. The 80 major borrowers of these 163 institutions concentrated commercial loans



representing about 55 percent of total outstanding loans of these institutions.

(2) Findings and actions

Of a total of about 2,000 loans classified by the financial institutions and revised by the Superintendency of Banks (with a total amount representing about 60 percent of total outstanding loans of the 80 major borrowers), about 1,100 were reclassified to higher risk categories. Also, important deficiencies were detected including the misclassification of debtors, incomplete files, lack of relevant financial information of debtors, and lack of legalization and appraisal of collateral. The institutions were asked to complete the information requirements and to constitute adequate provisions within the time period allowed under the transitional arrangements.

The Superintendency also detected the need for financial institutions to make adjustments to their capital in order to meet the new regulations. The adjustments were needed in view mainly of: (i) lack of adequate provisions; (ii) maintenance of overdue loans for more than 24 months (with no collateral) or more than 36 months (with collateral); (iii) lack of proper accounting of losses (which were accounted as assets); and (iv) maintenance of assets received in pay for longer than two years. The institutions were asked to make the corresponding adjustments. As a result, the capital of the institutions in the sample was reduced by 14.2 percent. Capital reductions were about 17 percent in commercial banks, about 13 percent in savings and loans associations, 8 percent in development banks, 7 percent in mortgage banks, and about 11 percent in financieras.

3. Some preliminary indicators of the health of financial institutions

After seven years of interruption, the Superintendency of Banks has resumed publication of a statistical bulletin in December 1993 (initially with a periodicity of six months). This action marks a great step toward increased transparency in the financial sector because, contrary to previous and long-dated presentations, the bulletin offers information in a manner more suitable to assess the soundness of institutions. Though there still is a long way to go in the process of increasing transparency, the information disclosed allowed the reader to get an idea of the health of the financial institutions in the initial stages of implementation of the new regulatory framework. For these purposes, a set of indicators is presented in Table 1.

There still is no information readily available that would allow an assessment of portfolios according to the quality of loans, or of the capital/asset ratio with assets classified according to risk. This information is expected to be published late in the year once the classification of loans and the assessment of assets are completed. However, from the information already published it is clear that several important problems prevailed at the time of implementation of the new

regulatory framework and procedures. As of end-June 1994 overdue loans represented about 5 percent of total loans in the commercial banks (which, excluding the state-owned Reserves Bank, concentrated 45 percent of total loans and 46 percent of total liabilities) but were as high as 19 percent in mortgage banks and 17 percent in other financial institutions. 1/ Provisions were generally low in terms of total loans and covered a small proportion of overdue loans (30 percent in commercial banks). Most worrisome, the ratio of overdue loans net of provisions to capital was as high as 63 percent in mortgage banks, 18 percent in the Reserves Bank, and 17 percent in commercial banks. In the savings and loans associations, finance companies, and development banks (which together concentrated about 32 percent of total loans and about 26 percent of total liabilities), this ratio was 4 percent, 22 percent, and 12 percent, respectively.

The enforcement of the new regulations yield some encouraging results. Most institutions were asked to reclassify a portion of their overdue loans into uncollectible loans and absorb the loss with current profits. Some progress toward the enforcement of these regulations is already noticeable in commercial banks, savings and loans associations, and development banks. In these institutions there have been improvements in the ratios of overdue loans to total loans, provisions to overdue loans, and overdue loans net of provisions to capital. However, progress in improving provisioning continued to be slow at this early stage of enforcement of the new regulations.

Portfolio deterioration seems to have continued, however, in mortgage banks and finance companies. In these institutions, notwithstanding improvement in provisioning, capital appears to be increasingly insufficient given the quality of the loan portfolio.

#### 4. Conclusions

Reforms in the area of banking supervision and regulation in the Dominican Republic have been designed with attention to international standards, and are being implemented at a sustained pace, and strictly enforced. In a relatively short period of time, a modern framework for banking supervision and regulation has been built up to replace an old fashioned, ineffective apparatus. Reforms comprised an institutional reorganization of the Superintendency of Banks, improvements in procedures and control, as well as the introduction and enforcement of adequate prudential regulations.

The first stages of implementation and enforcement of the new regulations have brought into the open several weaknesses in the financial system. Several small institutions had to be liquidated immediately and transitional mechanism are in place to improve the situation of most other

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1/ Mainly, two state-owned financial institutions, the Agriculture Bank (Banco Agrícola) and the Industrial Promotion Corporation (Corporación de Fomento Industrial).

institutions which show weak capital and provisioning endowments. Though progress so far has been encouraging, there is a need for a proper and continuous supervision of the financial institutions to ensure that adequate capital and provisioning levels are attained within the transitional terms that were established.

Relevant information to assess the health of financial institutions is coming to light, gradually leading to increasing transparency in the financial sector. However, work is still needed to complete the assessment of loan portfolios and other assets according to risk. The Superintendency of Banks should maintain its commitment to complete this work and publish the relevant information as soon as feasible. Publication of information on loan classification and capital asset ratios would greatly improve the possibilities of assessing and monitoring the health of financial institutions, and of identifying weaknesses.

All published information so far has focused on the asset and liabilities accounts of the financial institutions. In order to assess the financial position and efficiency of institutions more accurately, it would be important to develop additional indicators based on the outcome of their profit and loss accounts, and the statements of contingent operations. In addition, projections on the relevant stocks and flows have to be developed to build up a set of early warning indicators to anticipate liquidity and solvency problems of financial institutions. Early detection of problems will permit to take corrective measures in advance and avoid costly arrangements to deal with troubled institutions.

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Table 1. Dominican Republic: Financial Indicators

	Commercial Banks		Reserves Banks		Development Banks		Mortgage Banks		Savings & Loan		Finance Companies		Other		Total	
	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June
	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994
(In millions of Dominican Pesos)																
<u>Assets</u>	<u>25,212</u>	<u>27,022</u>	<u>11,019</u>	<u>11,208</u>	<u>3,108</u>	<u>3,213</u>	<u>770</u>	<u>1,057</u>	<u>7,175</u>	<u>8,857</u>	<u>3,999</u>	<u>4,213</u>	<u>4,085</u>	<u>4,514</u>	<u>55,368</u>	<u>60,085</u>
Cash	7,021	7,049	3,390	4,528	280	268	103	114	2,116	2,532	528	534	686	649	14,124	15,673
Loan portfolio	13,506	14,945	4,780	4,999	2,397	2,459	499	603	3,873	5,349	2,835	2,987	1,940	2,156	29,828	33,498
Normal	12,666	14,265	3,801	4,779	2,250	2,346	419	487	3,739	5,284	2,588	2,704	1,494	1,796	26,958	31,660
Overdue	840	680	979	220	147	114	79	117	133	65	247	283	446	360	2,871	1,838
Less provisions	-149	-203	-77	-75	-39	-45	-4	-11	-32	-32	-32	-49	-219	-218	-552	-631
Investments	1,089	1,083	321	145	164	110	57	60	477	85	126	124	326	346	2,560	1,952
Fixed assets	1,667	1,684	414	480	60	69	18	53	211	223	152	144	68	85	2,589	2,738
Goods received in pay	144	216	17	29	83	98	52	111	139	126	52	72	11	9	498	660
Other assets	1,935	2,249	2,173	1,103	163	254	46	127	391	573	339	401	1,274	1,487	6,321	6,195
<u>Liabilities</u>	<u>22,871</u>	<u>24,264</u>	<u>10,264</u>	<u>10,398</u>	<u>2,634</u>	<u>2,627</u>	<u>549</u>	<u>889</u>	<u>6,485</u>	<u>7,983</u>	<u>2,987</u>	<u>3,161</u>	<u>3,058</u>	<u>3,406</u>	<u>48,847</u>	<u>52,726</u>
Deposits	17,621	13,316	7,890	5,427	--	--	14	6	2,700	2,891	--	--	466	649	28,690	22,289
Current account	6,037	6,183	4,178	3,742	--	--	--	--	--	--	--	--	--	--	10,215	9,924
Savings	4,522	4,632	1,384	1,603	--	--	--	--	2,207	2,388	--	--	249	181	8,361	8,804
Time	7,062	2,501	2,327	83	--	--	14	6	493	503	--	--	217	467	10,114	3,560
Bonds	2,477	7,037	--	2,000	1,178	1,006	395	645	3,428	4,436	2,474	2,462	963	612	10,915	18,199
Sight liabilities	693	1,056	91	140	96	125	10	23	42	172	43	--	264	124	1,239	1,640
Liabilities to Central Bank and other financial institutions	799	1,386	151	476	1,140	1,273	65	89	49	163	144	301	747	1,119	3,094	4,807
Other liabilities	1,281	1,469	2,133	2,355	220	222	65	126	267	322	326	397	618	902	4,910	5,792
<u>Capital</u>	<u>2,341</u>	<u>2,759</u>	<u>755</u>	<u>810</u>	<u>474</u>	<u>587</u>	<u>222</u>	<u>169</u>	<u>690</u>	<u>874</u>	<u>1,012</u>	<u>1,053</u>	<u>1,027</u>	<u>1,109</u>	<u>6,520</u>	<u>7,359</u>
Paid capital and legal reserve	1,770	2,053	370	577	426	519	184	204	169	--	909	952	743	713	4,572	5,018
Other capital accounts	571	706	385	233	47	67	37	-35	521	874	103	101	284	396	1,948	2,341
<u>Total liabilities and capital</u>	<u>25,212</u>	<u>27,023</u>	<u>11,019</u>	<u>11,208</u>	<u>3,108</u>	<u>3,213</u>	<u>770</u>	<u>1,057</u>	<u>7,175</u>	<u>8,857</u>	<u>3,999</u>	<u>4,213</u>	<u>4,085</u>	<u>4,514</u>	<u>55,368</u>	<u>60,085</u>
(In percent)																
<u>Indicators</u>																
Overdue loans/total loan portfolio	6	5	20	4	6	5	16	19	3	1	9	9	23	17	10	5
Provisions/total loan portfolio	1	1	2	2	2	2	1	2	1	1	1	2	11	10	2	2
Provisions/Overdue Loans (Overdue loans-provisions)/capital	18	30	8	34	26	39	5	9	24	48	13	17	49	61	19	34
Share of loans	29	17	120 2/	18	23	12	34	63	15	4	21	22	22	13	36	16
Share of liabilities	45	45	16	15	8	7	2	2	13	16	10	9	7	6	100	100
	47	46	21	20	5	5	1	2	13	15	6	6	6	6	100	100

Source: Superintendency of Banks of the Dominican Republic; and Fund staff estimates.

1/ Excluding the Reserves Bank.

2/ Reflects overdue loans of public enterprises that have subsequently been rescheduled.

Major Fiscal Measures, August 1993-December 1994

Law 14-93 of August 26, 1993

Approves the custom tariff system put into effect by Executive Decrees Nos. 339-90 and 340-90 of September 13, 1990. Law 14-93 maintained the basic tariff rate of those decrees; however, it adopts special tariff rates of 3 percent and 5 percent on some foodstuff, paper, books, and magazines; of 3 percent on inputs for the pharmaceutical industry and on agricultural inputs and machinery. In addition, aluminum, iron, and steel containers are levied with a 15 percent tariff. The Law eliminates the tariff surcharge of 10 percent and exempts the pharmaceutical products, and agricultural inputs and machinery from the value-added tax, the tariff premium, and the exchange surcharge. The Law requires that the contracts signed by the Executive granting custom tax exemptions should be approved by Congress. The custom tax exemptions granted by contracts currently in effect will expire at the end of the period contemplated in the contract; however, when that period extends beyond the third year after the approval of the Custom Tariff Code, the exonerations will be phased out gradually in four years.

Executive Decree 66-94 of March 25, 1994

Establishes the following scale for the excise tax on motor vehicles according to their c.i.f. values:

Vehicles of values lower than US\$7,000 are temporarily exempted; of values between US\$7,000 and US\$10,000 will pay 15 percent tax; of values between US\$10,000 and US\$14,000 will pay a basic tax of RD\$5,265 and a surtax of 30 percent on their values in excess of US\$10,000; of values between US\$14,000 and US\$20,000 will pay a basic tax of RD\$20,625 and a surtax of 45 percent on their values in excess of US\$14,000; of values between US\$20,000 and US\$26,000 will pay a basic tax of RD\$54,375 and a surtax of 60 percent on their values in excess of US\$20,000; of values between US\$26,000 and US\$32,000 will pay a basic tax of RD\$99,375 and a surtax of 80 percent on their value in excess of US\$26,000; and of value above US\$32,000 will pay a single ad valorem tax of 45 percent.

Executive Decree 178-94 of July 10, 1994

Changes vehicle license fees. The new fees range from RD\$300 to RD\$1,000 according to the value of the vehicle.

Executive Decree 274-94 of September 16, 1994

Raises the tariffs of the Post Office for domestic and international mail.

Executive Decree 295-94 of September 9, 1994

Extends to Dominicans (residents and nonresidents) the obligation to pay the airport tax when departing in international flights. The tax is US\$10 per passenger.

Resolution 230-94 of the Secretary of Commerce of December 31, 1994

Raises by about 60 percent the price of the liquid propane gas for domestic use.

Major Changes in Financial Sector Policies, August 1993-December 1994

1. Monetary Policy

- |      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1993 | October 15  | The Special Certificates of Participation of the Central Bank were made "transferable."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|      | November 4  | The Monetary Board authorized the Central Bank to issue up to RD\$300 million in one-year certificates of participation, with a minimum denomination of RD\$10,000 and interest paid at maturity at a 10 percent annual rate. These certificates will be redeemable at a discount after 90 days of the purchase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 1994 | March 3     | The Monetary Board authorized the Central Bank to issue up to RD\$750 million in Certificates of Participation with maturities of 60, 90, and 120 days, a minimum denomination of RD\$10,000, and interest paid monthly at annual rates of 10, 12 and 14 percent for the certificates of 60, 90 and 120 days, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|      | September 7 | <p>The Monetary Board adopted the following measures:</p> <p>a) Authorized the Central Bank to issue up to RD\$500 million in one-year certificates of participation with a minimum denomination of RD\$10,000, and an annual interest rate of 18 percent. These certificates will be redeemable after 30 days at a penalty (the Central Bank will pay annual rate of 12, 14, 16, or 18 percent if redemption takes place 30 to 60, 61 to 90, 91 to 120 days, or 121 to 360 days after issuance, respectively); and</p> <p>b) Decided to freeze, until December 31 1994, the reserves of commercial and multiple service banks (in excess of legal reserve requirements) deposited in the Central Bank as of September 7, 1994. These frozen reserves will be remunerated at an annual interest rate of 12 percent.</p> |
|      | October 13  | The Monetary Board modified prevailing penalties (established by Resolution of March 21, 1991) for commercial and multiple service banks incurring deficiencies regarding legal reserve requirements. Under the new penalty framework, which went into                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



effect on November 7, 1994, banks incurring deficiencies for periods longer than two consecutive weeks were forbidden to access the central bank credit facilities (including the use of resources of the trust funds FIDE and INFRATUR) until they had maintained excess reserves for an amount equivalent to the deficiency for a period of three consecutive weeks. Deficiencies will be subject to an annual penalty rate of 36.5 percent.

## 2. Credit Policy

- |      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1993 | November 4  | <p>The Monetary Board adopted the following measures:</p> <p>a) Lowered from 16.5 percent to 14.5 percent the interest rate on loans granted by the Department of Project Development and Financing (DEFINPRO) <u>1/</u> to the final borrowers. A margin of 4.5 percent was granted to the intermediary financial institutions.</p> <p>b) Modified the Resolution dated July 22, 1993, setting at 14.5 percent per year the interest rate for advances and rediscounts granted by the Central Bank. A penalty rate of 1.5 percent per month was established on advances and rediscounts which were overdue for up to 120 days. Overdue advances and rediscounts exceeding this term will be charged a penalty rate of 3 percent per month.</p> |
|      | November 11 | <p>An Executive Resolution authorized the Banco Agrícola to reduce from 24 percent to 18 percent the interest rate on loans granted to the agricultural sector.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|      | November 18 | <p>An Executive Resolution authorized the Central Bank and the Reserves Bank to establish lines of credit at the preferential interest rate of 18 percent and made them available to producers of foodstuffs and other agricultural goods.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 1994 | September 7 | <p>The Monetary Board adopted the following measures:</p> <p>a) The disbursement of new loans by the trust funds FIDE and INFRATUR was frozen (until the end of the year) with the exception of those financed</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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1/ This new Department has been assigned the administration of the two central bank trust funds FIDE and INFRATUR.

by foreign resources or by collections from outstanding loans;

b) The disbursement of loans by these trust funds already approved will be rescheduled in line with the possibilities identified in the monetary program;

c) The interest rate on loans granted through the trust funds FIDE and INFRATUR was increased from 14.5 percent to 22.5 percent for the final borrower with the margin for the intermediary financial institutions being maintained at 4.5 percent;

d) All new credit facilities of the Central Bank to both the private and the public sectors, were suspended with the exception of "lender of the last resort facilities" aimed at handling exceptional circumstances that pose a systemic risk to the financial sector;

e) All credit operations of the Reserves Bank to the nonfinancial public sector (including to state-owned enterprises) have to be authorized by the Monetary Board; and

f) The net credit of the Reserves Bank to the nonfinancial public sector was frozen until December 31, 1994. Under this measure, the level of the outstanding stock of credit granted by the Reserves Bank to the nonfinancial public sector should not exceed the average stock observed during January-June, 1994.

### 3. Banking Supervision and Regulation

1993	August 11	The Monetary Board established that, beginning January 1st, 1994, the Superintendency of Banks will only accept external audit reports of domestic financial institutions issued by external audit companies that are properly registered. For this purpose, the Superintendency of Banks will establish the corresponding registry of external audit companies.
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Additionally, the external audit companies (i) should not have any economic interest in audited institutions; and (ii) cannot audit for more than three consecutive years the same financial institution.

The Monetary Board established that, beginning August 11, 1993, the Superintendency of Banks should establish a registry for professionals or professional companies engaged in the appraisal of fixed assets. Therefore, the appraisal of fixed assets of the financial institutions can only be performed by those registered companies. However, the Superintendency would accept existing appraisals issued up to two years before the present Resolution.

- |      |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1994 | March 3      | The Monetary Board modified the December 11, 1992 Resolution that dealt with the commercial banks' requisites to operate as multiple banks.                                                                                                                                                                                                                                                                                                                                                                                                   |
|      | September 7  | The Monetary Board adopted the following measures:<br><br>a) Authorized the Central Bank to receive from the Superintendency of Banks all the assets (including real estate, and loan and investment portfolios) of financial institutions being liquidated; and<br><br>b) Modified the June 29, 1993 Resolution regarding the classification of assets (including loans) as well as regarding norms for the constitution of provisions and reserves, and the accounting of "Other Assets" and contingent accounts of financial institutions. |
|      | September 22 | The Monetary Board authorized commercial and multiple service banks to raise savings and time deposits in foreign exchange from individuals or firms, nationals or foreigners, and residents or nonresidents.                                                                                                                                                                                                                                                                                                                                 |

Major Changes in the Exchange and Trade System  
August 1993-December 1994

1. Exchange Arrangements

1994            September 7        The unified exchange rate applicable to foreign exchange transactions by the Central Bank in the official market was devalued by about 3 percent to RD\$12.85 per U.S. dollar. The unified exchange rate was to be revised weekly in order to reflect the average rate for the buying of foreign exchange in the private market reported by commercial banks and multiple service banks in the preceding week. The Central Bank was to publish on the third day of each week, the official exchange rate for the following seven days. This adjustment mechanism for the official exchange rate was in force for a few weeks and was suspended subsequently with the official rate remaining at RD\$12.87 per U.S. dollar during the remainder of 1994.

2. Surrender Requirements

1994            March 3                The Monetary Board eliminated the surrender requirement for credit card proceeds. These proceeds could therefore be exchanged directly in the private exchange market.

                 September 7            The Monetary Board adopted the following measures:

                                 a) Starting on September 7, 1994, the surrender requirement for foreign exchange receipts from exports of minor products was eliminated. These receipts could be directly exchanged in the private foreign exchange market. Receipts from exports made before September 7, 1994 will have to be surrendered to the Central Bank. Minor product exporters were to remit to the Central Bank copies of receipts of their foreign exchange sales realized in the private market to assist in reconciling their accounts with the Central Bank. Major exports like sugar and other derivatives of cane sugar, coffee and its related manufactures, cocoa and related manufactures, and minerals continued to be subject to surrender requirements.

b) The surrender requirement for credit cards proceeds, which was eliminated on March 3, 1994, was re-established.

c) Commercial and multiple service banks should sell to the Central Bank the equivalent to 10 percent of their purchases of foreign exchange they make in the private market. Surrender to the Central Bank of the amounts involved should be completed no later than two days after the date the foreign exchange was purchased in the private market. The exchange rate paid by the Central Bank on the amounts surrendered will be equivalent to the weighted average buying rate paid by the banks in their daily operations.

October 13      The Monetary Board decided to re-establish the surrender requirement on earnings from exports of minor products that had been eliminated on September 7, 1994.

### 3. Restrictions on Profit Repatriation

1994      March      A draft foreign investment law was put forward to the Congress for approval. The law envisaged a 100 percent repatriation of profits and dividends by persons or corporations, in freely convertible currencies and without prior authorization. The proposal was approved by the Chamber of Deputies with a modification stating that this repatriation be net of income taxes, including those on capital gains. The revised proposal also allowed the repatriation of profits arising from technical service contracts aimed at transferring technology, and any other service contracts previously approved by the Central Bank or other official organizations in charge of coordinating and managing foreign investment projects. This draft law is currently awaiting Senate approval.

### 4. Imports and Import Payments

1993      August 26      A customs tariff system based on the harmonized system of tariffs was put into effect and was applicable to all products and to all external trade of the Dominican Republic. Import tax payments were based on the c.i.f. value of imports expressed in national currency, in accordance with the official exchange rate in effect when the transaction occurred.

A single tariff rate of 3 percent (net of a tariff premium, a tariff surcharge, and the value-added tax) was established on imports of products of high national interest such as newspaper, machinery, equipment and other basic inputs indispensable to the functioning of communication media, graphic industries, video production enterprises, and the pharmaceutical industry. The new framework also exempts from a tariff premium, a tariff surcharge, and the value-added tax raw materials and inputs for the domestic pharmaceutical industry, inputs and machines for agriculture (which will be subject to a 3 percent tariff), finished medicines (which will be subject to a 5 percent tariff), and other products specified in the law (which will be subject to a 3-5 percent tariff). Aluminum cans and iron and steel containers will be subject to a 15 percent tariff, and machinery and equipment reimported after repairs will be subject to a tariff of 10 percent on the value of effective repairs. Certain products were exempt from import tariffs altogether, including imports by public sector organizations and institutions with executive authorization, imports by diplomatic representations, and donation-related imports.

1994	March 3	The Monetary Board authorized commercial banks to sell foreign exchange to the public without previous authorization from the Central Bank and without presenting proving forms for transactions related to minor payments and expenses (including credit cards, medical, travel and education expenses). Total sales under these concepts should not exceed the equivalent of 25 percent of total sales made by these institutions during the previous week.
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5. Foreign Exchange Commission

1994	March 3	The Monetary Board lowered from 2 percent to 1.5 percent the commission the Central Bank charges to the buyers of foreign exchange in the official and private markets.
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Table 2. Dominican Republic: Macroeconomic Flows

	1989	1990	1991	1992	1993	Prel. 1994
(In percent of GDP)						
<b>I. Balance of Payments</b>						
Current account balance	-4.7	-4.0	-3.1	-7.6	-2.0	-1.2
Of which: exports	13.7	9.6	8.2	6.3	5.3	5.6
imports	-29.1	-23.4	-21.6	-24.2	-22.0	-21.0
tourism receipts	10.5	9.5	9.4	9.4	11.1	10.5
interest payments	-4.4	-4.0	-3.7	-2.7	-2.1	-1.5
Capital account	-2.0	-2.6	3.9	6.6	2.3	-2.0
Public	-0.2	-3.9	-1.7	-1.4	-0.7	-0.8
Private	-1.8	1.3	5.6	8.0	3.0	-1.2
Overall balance	-6.7	-6.6	0.9	-1.0	0.2	-3.2
Changes in international reserves (increase -)	1.7	-1.0	-4.8	-1.4	-1.4	4.3
Extraordinary financing	5.0	7.6	3.9	2.4	1.1	-1.1
Rescheduling	1.0	0.8	12.2	2.7	1.1	--
Arrears	4.1	6.8	-8.3	-0.3	--	0.5
Debt buyback/debt-service reduction	--	--	--	--	--	-1.6
<b>II. Aggregate Expenditure, Savings, and Investment</b>						
Resource balance	6.9	5.2	4.4	9.1	4.5	4.1
Aggregate domestic expenditure	106.9	105.2	104.4	109.1	104.5	104.1
Consumption	78.4	82.0	83.4	86.8	80.7	79.4
Private	72.8	77.1	79.1	81.7	74.5	73.4
Public	5.6	4.9	4.3	5.2	6.2	6.1
Investment	28.2	23.1	20.8	22.1	23.7	24.6
Private	18.1	16.9	14.7	15.2	14.6	14.3
Public	10.2	6.1	6.1	7.0	9.1	10.3
Changes in inventory	0.2	0.2	0.1	0.1	0.1	0.1
National saving	23.8	19.3	17.9	14.7	21.8	23.5
Public	4.4	1.8	7.3	10.1	9.7	8.0
Private	19.4	17.5	10.6	4.6	12.0	15.5
External saving	4.7	4.0	3.1	7.6	2.0	1.2
<b>III. Public Sector</b>						
Current account balance 1/	7.7	3.5	5.7	8.2	8.1	8.0
Capital expenditure	12.3	6.8	7.4	9.1	10.4	11.8
Primary balance	-3.3	-0.9	3.6	4.0	2.1	-1.5
Overall balance (after grants)	-7.4	-4.7	0.1	1.3	-0.2	-2.9
<b>IV. Financial Sector</b>						
Net international reserves	-1.6	0.5	4.9	1.5	1.8	-4.7
Net domestic assets	15.7	8.2	3.0	3.4	2.8	7.6
Public sector (net)	3.0	1.3	-2.4	-2.4	-0.1	3.2
Private sector	9.3	5.2	3.5	5.2	3.3	2.6
Other	3.4	1.7	1.9	0.6	-0.3	1.8
Medium- and long-term foreign liabilities	2.3	1.1	-0.5	-1.8	--	-0.5
Liabilities to the private sector	11.8	7.5	8.4	6.7	4.6	3.4
Velocity (GDP/money and quasi-money) 2/	3.0	3.5	4.2	3.6	3.2	3.3
(Percentage changes over previous year)						
Memorandum items						
GDP at 1980 prices	4.8	-6.0	0.8	7.8	3.0	4.3
Consumer prices (year average)	40.7	50.4	47.1	4.3	5.2	8.3
Consumer prices (end of year)	34.6	79.9	7.9	5.1	2.8	14.3
(In millions of Dominican pesos)						
GDP	42,393.0	64,866.9	100,070.2	112,368.8	120,571.7	137,210.6

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

1/ Of the consolidated public sector.

2/ The denominator is the average of the stocks of money and quasi-money at the beginning and at the end of the year.

Table 3. Dominican Republic: Gross Domestic Expenditure at Current Prices

	1989	1990	1991	1992	1993	Prel. 1994
<u>(In millions of Dominican pesos)</u>						
<u>GDP at market prices</u>	<u>42,393.0</u>	<u>64,866.9</u>	<u>100,070.2</u>	<u>112,368.8</u>	<u>120,571.7</u>	<u>137,210.6</u>
Resource balance	-2,912.9	-3,390.1	-4,388.8	-10,237.5	-5,408.8	-5,651.0
Exports of goods and nonfactor services	12,363.0	15,480.4	23,212.5	23,883.8	27,628.8	30,672.4
Imports of goods and nonfactor services	-15,275.9	-18,870.5	-27,601.3	-34,121.3	-33,037.5	-36,323.4
Gross domestic expenditure	45,305.9	68,257.0	104,459.0	122,606.3	125,980.5	142,861.6
Consumption	33,234.2	53,170.1	83,496.2	97,582.7	97,297.1	108,979.5
Private	30,854.3	49,993.3	79,174.7	91,760.4	89,860.4	100,675.2
Public	2,379.9	3,176.8	4,321.5	5,822.3	7,436.7	8,304.3
Gross capital formation	11,971.5	14,966.6	20,836.1	24,873.6	28,525.4	33,707.1
Private	7,662.3	10,981.0	14,714.1	17,063.3	17,571.1	19,638.1
Public	4,309.2	3,985.6	6,122.0	7,810.3	10,954.3	14,069.0
Change in inventories	100.2	120.3	126.7	150.0	158.0	175.0
<u>(In percent of GDP)</u>						
<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	-6.9	-5.2	-4.4	-9.1	-4.5	-4.1
Exports of goods and nonfactor services	29.2	23.9	23.2	21.3	22.9	22.4
Imports of goods and nonfactor services	-36.0	-29.1	-27.6	-30.4	-27.4	-26.5
Gross domestic expenditure	106.9	105.2	104.4	109.1	104.5	104.1
Consumption	78.4	82.0	83.4	86.8	80.7	79.4
Private	72.8	77.1	79.1	81.7	74.5	73.4
Public	5.6	4.9	4.3	5.2	6.2	6.1
Gross capital formation	28.2	23.1	20.8	22.1	23.7	24.6
Private	18.1	16.9	14.7	15.2	14.6	14.3
Public	10.2	6.1	6.1	7.0	9.1	10.3
Change in inventories	0.2	0.2	0.1	0.1	0.1	0.1

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



Table 4. Dominican Republic: Gross Domestic Expenditure at Constant Prices

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos at 1980 prices)						
<u>GDP at market prices</u>	<u>8,958.7</u>	<u>8,424.6</u>	<u>8,494.6</u>	<u>9,157.2</u>	<u>9,433.8</u>	<u>9,839.5</u>
Resource balance	-1,258.8	-958.3	-895.0	-1,142.7	-751.0	-1,106.8
Exports of goods and nonfactor services	1,222.2	1,325.9	1,420.9	1,632.3	2,005.2	1,753.9
Imports of goods and nonfactor services	-2,480.9	-2,284.1	-2,316.0	-2,775.1	-2,756.2	-2,860.6
Gross domestic expenditure	10,217.5	9,382.8	9,389.6	10,299.9	10,184.7	10,946.3
Consumption	8,955.9	8,316.1	8,425.3	9,146.2	8,960.3	9,604.6
Private	8,074.6	7,251.0	7,439.5	8,154.3	7,825.2	8,631.3
Public	881.3	1,065.1	985.9	991.9	1,135.0	973.4
Gross capital formation	1,231.1	1,040.2	913.1	1,098.1	1,166.2	1,280.3
Private	1,010.2	911.5	785.9	932.1	938.6	1,001.3
Public	221.0	128.7	127.2	165.9	227.6	279.0
Change in inventories	30.5	26.6	51.1	55.7	58.3	61.3
(Percentage change from preceding year)						
<u>GDP at market prices</u>	<u>4.8</u>	<u>-6.0</u>	<u>0.8</u>	<u>7.8</u>	<u>3.0</u>	<u>4.3</u>
Resource balance	39.9	-23.9	-6.6	27.2	-34.2	46.8
Exports of goods and nonfactor services	-1.1	8.5	7.2	14.9	22.8	-12.5
Imports of goods and nonfactor services	16.1	-7.9	1.4	19.8	-0.7	3.8
Gross domestic expenditure	8.2	-8.2	0.1	9.7	-1.1	7.5
Consumption	12.9	-7.1	1.3	8.6	-2.0	7.2
Private	22.4	-10.2	2.6	9.6	-4.0	10.3
Public	-33.9	20.9	-7.4	0.6	14.4	-14.2
Gross capital formation	-16.5	-15.5	-12.2	20.3	6.2	9.8
Private	-15.1	-9.8	-13.8	18.6	0.7	6.7
Public	-22.3	-41.8	-1.2	30.5	37.1	22.6
Change in inventory	-21.4	-12.8	92.4	8.9	4.8	5.1

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

Table 5. Dominican Republic: Savings and Investment

	1989	1990	1991	1992	1993	Prel. 1994
<u>(In millions of Dominican pesos)</u>						
<u>Gross domestic investment</u>	<u>12,071.7</u>	<u>15,086.9</u>	<u>20,962.8</u>	<u>25,023.6</u>	<u>28,683.4</u>	<u>33,882.1</u>
Public sector	4,309.2	3,985.6	6,122.0	7,810.3	10,954.3	14,069.0
Private sector <u>1/</u>	7,762.5	11,101.3	14,840.8	17,213.3	17,729.1	19,813.1
<u>Gross national saving</u>	<u>10,075.9</u>	<u>12,508.0</u>	<u>17,886.6</u>	<u>16,517.4</u>	<u>26,265.9</u>	<u>32,182.8</u>
Public sector	1,856.8	1,142.8	7,270.1	11,386.4	11,741.0	10,962.6
Private sector	8,219.1	11,365.2	10,616.5	5,131.0	14,524.9	21,220.2
<u>External saving</u>	<u>1,995.8</u>	<u>2,578.9</u>	<u>3,076.3</u>	<u>8,506.3</u>	<u>2,417.5</u>	<u>1,699.3</u>
<u>(In percent of GDP)</u>						
<u>Gross domestic investment</u>	<u>28.5</u>	<u>23.3</u>	<u>20.9</u>	<u>22.3</u>	<u>23.8</u>	<u>24.7</u>
Public sector	10.2	6.1	6.1	7.0	9.1	10.3
Private sector <u>1/</u>	18.3	17.1	14.8	15.3	14.7	14.4
<u>Gross national saving</u>	<u>23.8</u>	<u>19.3</u>	<u>17.9</u>	<u>14.7</u>	<u>21.8</u>	<u>23.5</u>
Public sector	4.4	1.8	7.3	10.1	9.7	8.0
Private sector	19.4	17.5	10.6	4.6	12.0	15.5
<u>External saving</u>	<u>4.7</u>	<u>4.0</u>	<u>3.1</u>	<u>7.6</u>	<u>2.0</u>	<u>1.2</u>
<u>Memorandum item</u>						
Gross domestic savings	21.6	18.0	16.6	13.2	19.3	20.6

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

1/ Includes changes in inventory.

Table 6. Dominican Republic: Sectoral Origin of GDP at Current Prices

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Nominal GDP at market prices</u>	<u>42,393.0</u>	<u>64,866.9</u>	<u>100,070.2</u>	<u>112,368.8</u>	<u>120,571.7</u>	<u>137,210.6</u>
Primary production	7,350.2	10,746.5	16,873.0	17,880.4	17,720.0	20,621.6
Crops	3,396.3	4,691.8	7,673.2	8,505.2	8,601.8	9,038.9
Livestock	2,198.7	3,594.9	5,582.7	6,175.3	6,807.0	7,411.2
Forestry and fishing	267.1	432.9	651.6	681.5	704.1	774.5
Mining	1,488.2	2,026.9	2,965.5	2,518.3	1,607.2	3,397.1
Secondary production	12,032.8	18,284.1	27,301.5	32,965.4	36,178.7	41,167.6
Manufacturing	7,490.2	11,680.0	18,202.8	21,102.4	22,455.2	25,271.7
Sugar	609.0	730.1	1,244.7	1,249.5	1,431.2	1,508.1
Other	5,840.6	9,018.6	13,633.5	16,232.0	16,635.1	18,622.4
Free Trade Zones 1/	1,040.6	1,931.3	3,324.6	3,621.0	4,388.9	5,141.2
Construction	3,712.5	5,625.3	7,534.9	9,760.2	11,193.0	13,021.5
Electricity and water	830.1	978.7	1,563.9	2,102.8	2,530.6	2,874.4
Services	23,010.0	35,836.3	55,895.7	61,523.0	66,673.0	75,421.4
Wholesale and retail trade	5,676.1	7,975.6	12,447.3	13,899.3	14,577.7	16,144.6
Hotels and restaurants	1,744.6	2,451.1	4,258.1	4,986.8	6,299.1	7,902.3
Transport	2,807.6	4,031.3	6,383.2	7,599.3	8,295.9	9,234.1
Communications	739.3	1,368.1	2,385.7	2,845.2	3,329.9	3,985.8
Financial services	2,196.5	3,838.3	5,941.7	6,214.1	6,408.8	7,014.5
Housing	2,434.8	3,966.9	6,077.4	6,380.3	6,706.0	7,389.1
Government services	3,728.5	6,225.1	9,417.9	10,006.8	10,745.7	12,133.7
Other	3,682.6	5,980.0	8,984.4	9,591.2	10,310.0	11,617.3
(In percent of GDP)						
<u>Nominal 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>
Primary production	17.3	16.6	16.9	15.9	14.7	15.0
Crops	8.0	7.2	7.7	7.6	7.1	6.6
Livestock	5.2	5.5	5.6	5.5	5.6	5.4
Forestry and fishing	0.6	0.7	0.7	0.6	0.6	0.6
Mining	3.5	3.1	3.0	2.2	1.3	2.5
Secondary production	28.4	28.2	27.3	29.3	30.0	30.0
Manufacturing	17.7	18.0	18.2	18.8	18.6	18.4
Sugar	1.4	1.1	1.2	1.1	1.2	1.1
Other	13.8	13.9	13.6	14.4	13.8	13.6
Free Trade Zones 1/	2.5	3.0	3.3	3.2	3.6	3.7
Construction	8.8	8.7	7.5	8.7	9.3	9.5
Electricity and water	2.0	1.5	1.6	1.9	2.1	2.1
Services	54.3	55.2	55.9	54.8	55.3	55.0
Wholesale and retail trade	13.4	12.3	12.4	12.4	12.1	11.8
Hotels and restaurants	4.1	3.8	4.3	4.4	5.2	5.8
Transport	6.6	6.2	6.4	6.8	6.9	6.7
Communications	1.7	2.1	2.4	2.5	2.8	2.9
Financial services	5.2	5.9	5.9	5.5	5.3	5.1
Housing	5.7	6.1	6.1	5.7	5.6	5.4
Public administration	8.8	9.6	9.4	8.9	8.9	8.8
Other	8.7	9.2	9.0	8.5	8.6	8.5

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

1/ Only includes wages and salaries.

Table 7. Dominican Republic: Sectoral Origin of GDP at Constant Prices

	1989	1990	1991	1992	1993	Pre1. 1994
(In millions of Dominican pesos at 1980 prices)						
<u>GDP at market prices</u>	<u>8,958.7</u>	<u>8,424.6</u>	<u>8,494.6</u>	<u>9,157.2</u>	<u>9,433.8</u>	<u>9,839.5</u>
Primary production	1,886.8	1,671.7	1,722.1	1,749.9	1,648.6	1,760.3
Crops	1,012.5	859.6	918.8	977.7	949.4	914.4
Livestock	424.6	426.7	433.1	459.9	486.7	485.7
Forestry and fishing	56.6	56.4	55.5	55.7	55.3	55.7
Mining	393.1	329.1	314.7	256.5	157.2	304.5
Secondary production	2,206.4	2,062.5	2,012.0	2,310.0	2,463.2	2,571.9
Manufacturing	1,305.3	1,235.4	1,280.8	1,398.6	1,456.7	1,500.4
Sugar	236.3	174.1	194.0	187.0	205.6	198.6
Other	824.9	782.8	773.4	884.0	869.8	892.5
Free trade zones	244.1	278.5	313.3	327.6	381.3	409.3
Construction	843.3	785.3	687.5	854.9	941.3	1,003.7
Electricity and water	57.8	41.9	43.7	56.4	65.2	67.9
Services	4,865.6	4,690.3	4,760.5	5,097.3	5,321.9	5,507.3
Wholesale and retail trade	1,139.9	984.4	1,004.1	1,076.4	1,084.0	1,100.3
Hotels and restaurants	274.8	237.3	269.4	302.9	367.3	422.3
Transport	408.7	360.6	373.2	426.6	447.1	456.1
Communications	116.2	132.2	150.7	172.5	193.8	212.6
Financial services	693.8	745.1	753.8	756.9	749.5	751.8
Housing	639.8	640.6	641.5	646.5	652.4	658.9
Public administration	687.3	705.2	697.3	711.3	733.3	758.9
Other	905.1	885.0	870.5	1,004.3	1,094.5	1,146.3
(Annual percentage changes)						
<u>GDP at market prices</u>	<u>4.8</u>	<u>-6.0</u>	<u>0.8</u>	<u>7.8</u>	<u>3.0</u>	<u>4.3</u>
Primary production	1.4	-11.4	3.0	1.6	-5.8	6.8
Crops	0.9	-15.1	6.9	6.4	-2.9	-3.7
Livestock	4.5	0.5	1.5	6.2	5.8	-0.2
Forestry and fishing	1.6	-0.4	-1.6	0.4	-0.8	0.8
Mining	-0.6	-16.3	-4.4	-18.5	-38.7	93.7
Secondary production	8.0	-6.5	-2.5	14.8	6.6	4.4
Manufacturing	4.7	-5.4	3.7	9.2	4.2	3.0
Sugar	-4.2	-26.3	11.4	-3.6	10.0	-3.4
Other	2.9	-5.1	-1.2	14.3	-1.6	2.6
Free trade zones	23.0	14.1	12.5	4.6	16.4	7.4
Construction	13.2	-6.9	-12.5	24.4	10.1	6.6
Electricity and water	14.3	-27.5	4.4	29.1	15.5	4.1
Services	4.8	-3.6	1.5	7.1	4.4	3.5
Wholesale and retail trade	2.0	-13.6	2.0	7.2	0.7	1.5
Hotels and restaurants	0.8	-13.7	13.5	12.4	21.3	15.0
Transport	4.0	-11.8	3.5	14.3	4.8	2.0
Communications	17.9	13.7	14.0	14.5	12.4	9.7
Financial services	18.1	7.4	1.2	0.4	-1.0	0.3
Housing	1.8	0.1	0.1	0.8	0.9	1.0
Public administration	2.8	2.6	-1.1	2.0	3.1	3.5
Other	3.1	-2.2	-1.6	15.4	9.0	4.7

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

Table 8. Dominican Republic: Output of Selected Products

(In thousands of metric tons)

	1989	1990	1991	1992	1993	Prel. 1994
<u>Agricultural products</u>						
Sugar cane (millions of metric tons)	6.5	6.5	6.9	6.9	7.4	6.3
Coffee beans	95.6	89.5	81.4	82.1	81.1	83.3
Raw cotton <sup>1/</sup>	8.4	6.2	3.3	0.3	1.0	0.5
Cocoa beans	42.2	43.2	44.1	47.1	52.7	57.7
Tobacco leaves	29.7	18.3	23.7	19.9	14.5	18.6
Unprocessed rice	461.6	427.6	466.2	569.7	442.5	440.7
Beans	40.7	34.0	25.7	37.1	40.7	47.5
Tomatoes	144.0	117.5	105.3	89.5	95.4	75.1
<u>Livestock products</u>						
Beef	81.1	82.5	84.3	83.0	85.5	80.7
Poultry	108.3	109.7	111.9	122.0	127.8	131.1
Milk (millions of liters)	320.7	336.7	338.3	353.4	370.1	359.5
<u>Manufacturing products</u>						
Raw sugar	622.3	511.1	603.9	559.9	587.5	583.5
Rice	300.0	277.9	303.0	367.6	287.6	286.5
Rum (millions of liters)	34.8	41.4	39.3	44.4	43.4	43.5
Beer (millions of liters)	147.0	137.4	145.9	195.6	199.2	220.0
Noodles (metric tons)	16.0	11.2	12.2	14.1	15.0	14.4
Pasteurized milk (millions of liters)	22.7	23.3	19.9	18.9	22.0	29.7
Cement (millions of 42.5 kg. bags)	29.9	26.4	29.1	32.1	29.9	30.0
Constructions bars	148.1	95.5	52.3	103.0	109.6	105.4
<u>Mineral products</u>						
Bauxite <sup>2/</sup>	150.8	85.2	6.5	--	--	--
Nickel in ferronickel	31.1	28.7	28.8	22.2	13.4	30.6
Gold (thousands of troy ounces)	172.2	140.0	101.6	76.3	11.3	11.5
Silver (thousands of troy ounces)	700.4	735.0	705.9	481.3	53.5	296.1

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> Since 1992, the main producer of cotton, the National Cotton Producer Company, was closed.

<sup>2/</sup> In 1991, the Government decided to forbid the exploitation of bauxite mines with the aim of protecting the environment.

Table 9. Dominican Republic: Sugar Statistics

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

	1989	1990	1991	1992	1993	Prel. 1994
<u>I. Production</u>						
Sugar cane milled	6,538	6,483	6,845	6,857	7,368	6,258
Raw sugar produced	622	511	604	560	587	584
Sugar yield	0.095	0.087	0.088	0.082	0.080	0.093
<u>II. Distribution</u>						
<u>Total production of raw sugar</u>	<u>622</u>	<u>511</u>	<u>604</u>	<u>560</u>	<u>587</u>	<u>584</u>
Exports	491	355	319	321	320	318
Domestic consumption	209	110	254	229	216	222
Changes in stocks	-78	46	31	10	51	44
<u>III. Export Unit Values</u>						
Effective price per pound	15	18	19	16	16	17

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

Table 10. Dominican Republic: Free Trade Zones Statistics

Year	Number of firms (units)	Number of Employees (thousands)	Foreign Exchange Surrendered to Central Banks <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	456.5 <u>2/</u>	1,530.5 <u>2/</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 Zones local expenditure.

2/ Preliminary.

Table 11. Dominican Republic: Production and Sales of Electricity

	1989	1990	1991	1992	1993	Prel. 1994
<u>(In gigawatt hours)</u>						
<u>Production</u>	<u>3,845</u>	<u>3,303</u>	<u>3,664</u>	<u>4,855</u>	<u>5,666</u>	<u>5,970</u>
Hydroelectric	595	484	637	661	1418	673
Thermal	2,765	2,193	2,157	2,775	2794	3204
Gas turbines	117	180	257	655	709	719
Diesel	9	39	43	4	4	5
Other	359	407	570	760	741	1369
<u>Less</u>	<u>1,446</u>	<u>1,173</u>	<u>1,435</u>	<u>1,958</u>	<u>2,345</u>	<u>2,545</u>
CDE internal consumption	228	200	175	229	232	235
Losses	1,218	973	1,260	1,729	2113	2310
<u>Sales</u>	<u>2,399</u>	<u>2,130</u>	<u>2,229</u>	<u>2,897</u>	<u>3,321</u>	<u>3,425</u>
Residential	938	843	888	1,154	1317	1373
Commercial	266	236	233	325	383	391
Industrial	722	613	681	878	1066	1129
Public sector	380	345	334	356	371	347
Street lights	93	93	93	184	184	185
<u>(Percentage change)</u>						
<u>Sales</u>	<u>-8.4</u>	<u>-11.2</u>	<u>4.6</u>	<u>30.0</u>	<u>14.6</u>	<u>3.1</u>
Residential	-11.4	-10.1	5.3	30.0	14.1	4.3
Commercial	-10.4	-11.3	-1.3	39.5	17.8	2.1
Industrial	-3.5	-15.1	11.1	28.9	21.4	5.9
Public sector	-9.5	-9.2	-3.2	6.6	4.2	-6.5
Street lights	--	--	--	97.8	--	0.5

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



Table 12. Dominican Republic: Petroleum Statistics

	1989	1990	1991	1992	1993	Prel. 1994
<u>(In millions of U.S. dollars)</u>						
<u>Imports of crude oil</u>						
<u>and derivatives</u>	<u>405.0</u>	<u>518.1</u>	<u>436.8</u>	<u>487.8</u>	<u>453.0</u>	<u>521.1</u>
Crude oil	225.3	214.3	243.5	237.1	226.8	229.1
Refined derivatives	179.7	303.8	193.3	250.7	226.2	292.0
<u>(In millions of barrels of 42 gallons)</u>						
<u>Imports of crude oil</u>						
<u>and derivatives</u>	<u>22.2</u>	<u>23.1</u>	<u>22.2</u>	<u>25.9</u>	<u>26.4</u>	<u>31.3</u>
Crude oil	13.1	11.4	13.7	13.8	14.9	15.6
Refined derivatives	9.1	11.7	8.5	12.1	11.5	15.7
<u>Refinery output</u>	<u>9.4</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>Domestic consumption</u>	<u>17.2</u>	<u>16.8</u>	<u>16.0</u>	<u>19.7</u>	<u>20.8</u>	<u>24.9</u>
Gasoline	4.6	4.5	4.2	4.5	4.9	5.6
Diesel	5.0	4.5	4.1	5.9	6.1	7.3
Fuel oil	4.7	5.1	5.0	5.9	5.7	7.2
Kerosene	1.4	1.4	1.4	0.2	0.1	2.0
Liquid petroleum gas	1.5	1.3	1.3	1.5	2.1	2.8
Other oil products	--	--	--	1.7	1.9	...

Source: Central Bank of the Dominican Republic.

Table 13. Dominican Republic: Changes in Selected Price and Wage Indices  
(Annual percentage changes)

	1989	1990	1991	1992	1993	Prel. 1994
Consumer price index (End of period)	34.6	79.9	7.9	5.1	2.8	14.3
Consumer price index (Annual average)	40.7	50.4	47.1	4.3	5.2	8.3
GDP deflator	23.1	62.7	53.0	4.2	4.2	9.1
Export price (annual average)	8.1	-14.1	-5.4	-10.4	-5.8	25.9
Import price (annual average)	5.9	-0.1	-2.5	3.2	-2.5	5.1
Terms of trade index	2.0	-14.0	-3.0	-13.2	-3.4	19.8
Minimum wages <u>1/</u>	--	60.0	30.0	--	--	15.4

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

1/ Medium-size businesses in the private sector.

Table 14. Dominican Republic: Consumer Price Index <sup>1/</sup>

	1989	1990	1991	1992	1993	1994
<u>(December 1980 = 100)</u>						
<u>Average</u>	<u>505.5</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>
January	447.5	604.2	1,070.2	1,153.7	1,223.5	1,255.5
February	450.0	608.2	1,110.1	1,136.4	1,222.4	1,269.4
March	455.6	618.0	1,121.0	1,129.7	1,214.7	1,282.5
April	464.8	634.7	1,104.8	1,135.5	1,210.1	1,297.3
May	479.8	649.0	1,101.5	1,140.5	1,214.1	1,310.7
June	491.6	664.9	1,104.2	1,171.8	1,222.4	1,322.5
July	501.4	698.2	1,107.9	1,165.5	1,228.3	1,324.8
August	513.7	778.9	1,124.6	1,176.4	1,228.0	1,340.1
September	532.7	854.4	1,139.4	1,184.7	1,235.0	1,358.0
October	561.5	938.5	1,142.8	1,191.1	1,240.6	1,374.4
November	573.0	1,008.3	1,143.3	1,196.8	1,243.7	1,385.9
December	594.2	1,069.0	1,153.6	1,213.0	1,246.8	1,425.4
<u>(Annual percentage change)</u>						
Average	40.7	50.4	47.1	4.3	5.2	8.3
End of period	34.6	79.9	7.9	5.1	2.8	14.3

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> 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 15. Dominican Republic: Monthly Changes  
in the Consumer Price Index 1/

	1989	1990	1991	1992	1993	1994
<u>(Monthly percentage change)</u>						
<u>Average</u>	<u>2.5</u>	<u>5.1</u>	<u>0.6</u>	<u>0.4</u>	<u>0.2</u>	<u>1.1</u>
January	1.4	1.7	0.1	--	0.9	0.7
February	0.6	0.7	3.7	-1.5	-0.1	1.1
March	1.2	1.6	1.0	-0.6	-0.6	1.0
April	2.0	2.7	-1.4	0.5	-0.4	1.2
May	3.2	2.3	-0.3	0.4	0.3	1.0
June	2.5	2.4	0.2	2.7	0.7	0.9
July	2.0	5.0	0.3	-0.5	0.5	0.2
August	2.5	11.6	1.5	0.9	--	1.2
September	3.7	9.7	1.3	0.7	0.6	1.3
October	5.4	9.8	0.3	0.5	0.5	1.2
November	2.1	7.4	--	0.5	0.3	0.8
December	3.7	6.0	0.9	1.4	0.3	2.9
<u>(Cumulative change during the year)</u>						
<u>Average</u>	<u>14.5</u>	<u>28.0</u>	<u>4.6</u>	<u>1.1</u>	<u>1.2</u>	<u>6.6</u>
January	1.4	1.7	0.1	--	0.9	0.7
February	1.9	2.4	3.8	-1.5	0.8	1.8
March	3.2	4.0	4.9	-2.1	0.1	2.9
April	5.3	6.8	3.4	-1.6	-0.2	4.0
May	8.7	9.2	3.0	-1.1	0.1	5.1
June	11.4	11.9	3.3	1.6	0.8	6.1
July	13.6	17.5	3.6	1.0	1.3	6.3
August	16.4	31.1	5.2	2.0	1.2	7.5
September	20.7	43.8	6.6	2.7	1.8	8.9
October	27.2	57.9	6.9	3.3	2.3	10.2
November	29.8	69.7	6.9	3.8	2.5	11.2
December	34.6	79.9	7.9	5.2	2.8	14.3
<u>(12-month change)</u>						
<u>Average</u>	<u>41.6</u>	<u>48.9</u>	<u>52.5</u>	<u>4.3</u>	<u>5.3</u>	<u>8.2</u>
January	52.1	35.0	77.1	7.8	6.0	2.6
February	48.9	35.2	82.5	2.4	7.6	3.8
March	46.7	35.6	81.4	0.8	7.5	5.6
April	48.4	36.5	74.1	2.8	6.6	7.2
May	49.8	35.3	69.7	3.5	6.5	7.9
June	44.6	35.3	66.1	6.1	4.3	8.2
July	37.0	39.3	58.7	5.2	5.4	7.9
August	33.6	51.6	44.4	4.6	4.4	9.1
September	34.3	60.4	33.4	4.0	4.2	10.0
October	36.1	67.1	21.8	4.2	4.2	10.8
November	33.2	76.0	13.4	4.7	3.9	11.4
December	34.6	79.9	7.9	5.2	2.8	14.3

Source: Central Bank of the Dominican Republic.

1/ Revised data based on a basket of goods of November 1984. See Footnote 1 in Table 14.

Table 16. Dominican Republic: Average Selling Price of Electricity

	1989	1990	1991	1992	1993	1994
<u>(In Dominican cents per kilowatt-hour)</u>						
<u>All users</u>	<u>36.0</u>	<u>57.3</u>	<u>112.7</u>	<u>128.2</u>	<u>125.0</u>	<u>127.9</u>
Residential	26.5	43.3	95.1	112.2	111.5	114.2
Commercial	42.8	65.4	135.3	150.1	151.2	154.2
Industrial	44.7	73.3	103.5	142.3	134.7	137.9
Public sector	40.9	66.3	120.9	137.0	129.7	132.4
Street lights	23.9	23.9	23.9	105.7	102.2	104.7
<u>(Annual percentage change)</u>						
<u>All users</u>	<u>25.4</u>	<u>59.2</u>	<u>96.7</u>	<u>13.8</u>	<u>-2.5</u>	<u>2.3</u>
Residential	41.7	63.4	119.6	18.0	-0.6	2.4
Commercial	23.3	52.8	106.9	10.9	0.7	2.0
Industrial	27.0	64.0	41.2	37.5	-5.3	2.4
Public sector	29.0	62.1	82.4	13.3	-5.3	2.1
Street lights	3.0	--	--	342.3	-3.3	2.4

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

Table 17. Dominican Republic: Retail Prices of Selected Petroleum Products

	Oct. 1989	1990			December			
		Aug.	Sep.	Oct/Dec	1991	1992	1993	1994
<u>(In Dominican pesos per gallon) 1/</u>								
Gasoline	6.00	11.00	15.00	20.00	20.00	20.00	20.00	20.00
Diesel	2.50	5.60	8.95	13.70	13.70	13.70	13.70	13.70
Kerosene	2.75	7.50	12.08	18.00	18.00	18.00	18.00	18.00
Liquid petroleum gas	2.00	2.27	3.11	3.11	3.11	3.11	3.11	3.11
Fuel oil	2.35	3.45	5.05	5.05	5.05	5.05	5.05	5.05
<u>(Percentage change from previous level)</u>								
Gasoline	66.7	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	--	--	--	--	--
<u>(Price in U.S. dollar per gallon) 2/</u>								
Gasoline	0.80	0.98	1.33	1.49	1.50	1.57	1.57	1.52
Diesel	0.33	0.50	0.80	1.02	1.02	1.07	1.07	1.04
Kerosene	0.37	0.67	1.07	1.34	1.35	1.41	1.41	1.37
Liquid petroleum gas	0.27	0.20	0.28	0.23	0.23	0.24	0.24	0.24
Fuel oil	0.31	0.31	0.45	0.38	0.38	0.40	0.40	0.38

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

1/ Prices have not changed since October 1990.

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

Table 18. Dominican Republic: Trends in Minimum Wages 1980-1994 <sup>1/</sup>

Year	Private Business			Industrial Free Zones	Public Sector
	Large	Medium	Small		
(In Dominican pesos)					
1980	125	125	125	125	125
1981	125	125	125	125	125
1982	125	125	125	125	125
1983	125	125	125	125	125
1984	175	175	150	175	175
1985	250	250	175	250	250
1986	250	250	175	250	250
1987	350	350	250	350	250
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	1,456	1,040	936	1,269	780
1994	1,675	1,200	1,080	1,400	780
(In Dominican pesos of 1980)					
1980	125.0	125.0	125.0	125.0	125.0
1981	116.4	116.4	116.4	116.4	116.4
1982	108.6	108.6	108.6	108.6	108.6
1983	102.5	102.5	102.5	102.5	102.5
1984	103.5	103.5	88.7	103.5	103.5
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	88.2
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	116.8	83.4	75.1	101.8	62.6
1994	117.5	84.2	75.8	98.2	54.7
(Minimum wage index 1980 = 100)					
1980	100.0	100.0	100.0	100.0	100.0
1981	93.1	93.1	93.1	93.1	93.1
1982	86.9	86.9	86.9	86.9	86.9
1983	82.0	82.0	82.0	82.0	82.0
1984	82.8	82.8	71.0	82.8	82.8
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	70.6
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	93.4	66.7	60.1	81.4	50.0
1994	94.0	67.3	60.6	78.6	43.8

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> Wages in effect at the end of the year.

Table 19. Dominican Republic: Summary Operations of the Consolidated Public Sector

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Total revenue</u>	<u>7,489.7</u>	<u>8,199.9</u>	<u>14,902.6</u>	<u>19,315.6</u>	<u>21,899.0</u>	<u>23,922.3</u>
Current revenue	7,288.2	7,989.8	14,695.8	18,964.9	21,327.7	22,700.6
Of which: oil price differential	--	--	1,944.8	1,870.8	2,440.1	3,346.1
commission on sale of						
foreign exchange	--	--	536.9	498.1	530.2	484.9
Capital revenue	201.5	210.1	206.8	350.7	571.3	1,221.7
<u>Total expenditure</u>	<u>9,225.0</u>	<u>10,104.6</u>	<u>16,418.0</u>	<u>19,965.9</u>	<u>24,142.1</u>	<u>27,892.0</u>
Current expenditure 1/	4,031.7	5,715.6	9,033.0	9,732.8	11,564.4	11,738.0
Of which: accrued interest payments	1,719.1	2,446.5	3,491.8	2,956.8	2,822.7	1,976.4
Of which: accrued interest						
payments of CBDR	674.1	808.4	1,272.0	1,065.0	745.0	232.5
Capital expenditure 2/	5,193.3	4,389.0	7,385.0	10,233.1	12,577.7	16,154.0
<u>Current account balance</u>	<u>3,256.5</u>	<u>2,274.2</u>	<u>5,662.2</u>	<u>9,232.1</u>	<u>9,763.3</u>	<u>10,962.6</u>
<u>Residual balance 3/</u>	<u>-1,941.5</u>	<u>-1,653.8</u>	<u>900.0</u>	<u>1,091.4</u>	<u>1,012.8</u>	<u>-476.5</u>
<u>Overall balance (before grants)</u>	<u>-3,676.8</u>	<u>-3,558.5</u>	<u>-615.4</u>	<u>441.1</u>	<u>-1,230.3</u>	<u>-4,446.2</u>
<u>Grants</u>	<u>541.8</u>	<u>522.4</u>	<u>707.3</u>	<u>1,062.5</u>	<u>997.3</u>	<u>461.7</u>
<u>Overall balance (after grants)</u>	<u>-3,135.0</u>	<u>-3,036.1</u>	<u>91.9</u>	<u>1,503.6</u>	<u>-233.0</u>	<u>-3,984.5</u>
<u>Financing</u>	<u>3,135.0</u>	<u>3,036.1</u>	<u>-91.9</u>	<u>-1,503.6</u>	<u>233.0</u>	<u>3,984.5</u>
Interest arrears	1,035.4	1,882.4	1,619.5	--	747.5	593.8
Interest rescheduling/deferment	61.4	--	1,062.3	2,015.0	351.3	--
External (net)	784.4	337.8	-411.6	-857.5	-760.0	-1,017.5
Domestic (net)	1,253.8	815.9	-2,362.1	-2,661.1	-105.8	4,408.3
(In percent of GDP)						
<u>Total revenue</u>	<u>17.7</u>	<u>12.6</u>	<u>14.9</u>	<u>17.2</u>	<u>18.2</u>	<u>17.4</u>
Current revenue	17.2	12.3	14.7	16.9	17.7	16.5
Capital revenue	0.5	0.3	0.2	0.3	0.5	0.9
<u>Total expenditure</u>	<u>21.8</u>	<u>15.6</u>	<u>16.4</u>	<u>17.8</u>	<u>20.0</u>	<u>20.3</u>
Current expenditure 1/	9.5	8.8	9.0	8.7	9.6	8.6
Capital expenditure 2/	12.3	6.8	7.4	9.1	10.4	11.8
<u>Current account balance</u>	<u>7.7</u>	<u>3.5</u>	<u>5.7</u>	<u>8.2</u>	<u>8.1</u>	<u>8.0</u>
<u>Residual balance 3/</u>	<u>-4.6</u>	<u>-2.5</u>	<u>0.9</u>	<u>1.0</u>	<u>0.8</u>	<u>-0.3</u>
<u>Overall balance (before grants)</u>	<u>-8.7</u>	<u>-5.5</u>	<u>-0.6</u>	<u>0.4</u>	<u>-1.0</u>	<u>-3.2</u>
<u>Grants</u>	<u>1.3</u>	<u>0.8</u>	<u>0.7</u>	<u>0.9</u>	<u>0.8</u>	<u>0.3</u>
<u>Overall balance (after grants)</u>	<u>-7.4</u>	<u>-4.7</u>	<u>0.1</u>	<u>1.3</u>	<u>-0.2</u>	<u>-2.9</u>
<u>Financing</u>	<u>7.4</u>	<u>4.7</u>	<u>-0.1</u>	<u>-1.3</u>	<u>0.2</u>	<u>2.9</u>
External	4.4	2.4	2.3	1.0	0.3	-0.3
Internal	3.0	1.3	-2.4	-2.4	-0.1	3.2
<u>Memorandum items</u>						
Primary balance (millions of RD\$)	-1,415.9	-589.6	3,583.7	4,460.4	2,557.3	-2,008.1
Primary balance (percent of GDP)	-3.3	-0.9	3.6	4.0	2.1	-1.5

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

1/ On accrual basis. Includes payments of interest on the central bank medium- and long-term foreign liabilities.

2/ In 1994 includes estimated extra-budgetary expenditure of RD\$3,943.8 million.

3/ Reflects the operations of the nonconsolidated public sector, and statistical discrepancies.



Table 20. Dominican Republic: Summary Operations of the Central Government

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Total revenue</u>	<u>6,732.4</u>	<u>7,481.5</u>	<u>11,020.0</u>	<u>15,247.2</u>	<u>16,712.3</u>	<u>18,138.8</u>
Current revenue	6,658.4	7,315.7	10,852.1	14,984.8	16,416.2	17,239.9
Tax revenue	5,236.9	6,220.2	9,346.8	13,545.8	15,352.8	15,876.5
Taxes on income and profits	1,281.2	1,595.0	2,359.0	2,747.0	3,096.6	3,224.9
Taxes on property	54.6	63.9	80.1	103.5	132.2	123.8
Taxes on goods and services	1,496.2	2,070.8	2,972.7	4,244.7	5,324.1	6,363.3
Taxes on international trade and transactions	2,156.1	2,448.2	3,882.2	6,388.2	6,701.4	6,063.6
Other taxes	248.8	42.3	52.8	62.4	98.5	100.9
Nontax revenue	1,421.5	1,095.5	1,505.3	1,439.0	1,063.4	1,363.4
Capital revenue	74.0	165.8	167.9	262.4	296.1	898.9
<u>Total expenditure</u>	<u>7,049.1</u>	<u>8,094.0</u>	<u>12,016.6</u>	<u>16,013.3</u>	<u>19,851.2</u>	<u>24,854.1</u>
Current expenditure	3,224.7	4,490.0	6,295.4	7,683.3	9,325.9	10,081.2
Salaries and wages	1,212.9	1,645.2	2,208.4	2,822.9	3,562.1	4,071.4
Goods and services	519.0	771.1	1,000.0	1,618.3	2,212.7	2,855.9
Current transfers	787.9	1,093.8	1,557.1	1,806.2	2,307.9	1,916.8
Interest payments <sup>1/</sup>	704.9	979.9	1,529.9	1,435.9	1,243.2	1,237.1
Capital expenditure	3,824.4	3,604.0	5,721.2	8,330.0	10,525.3	14,772.9
Fixed investment	2,720.9	2,063.2	2,298.2	3,987.5	6,565.9	10,508.2 <sup>2/</sup>
Capital transfers	914.8	1,406.7	2,492.8	3,211.1	3,253.9	3,793.4
Other	188.7	134.1	930.2	1,131.4	705.5	471.3
<u>Current accounts balance</u>	<u>3,433.7</u>	<u>2,825.7</u>	<u>4,556.7</u>	<u>7,301.6</u>	<u>7,090.4</u>	<u>7,158.7</u>
Grants	541.8	522.4	707.4	1,062.5	997.3	461.6
<u>Overall balance after grants</u>	<u>225.1</u>	<u>-90.1</u>	<u>-289.2</u>	<u>296.4</u>	<u>-2,141.6</u>	<u>-6,253.7</u>
(In percent of GDP)						
<u>Total revenue</u>	<u>15.9</u>	<u>11.5</u>	<u>11.0</u>	<u>13.6</u>	<u>13.9</u>	<u>13.2</u>
Current revenue	15.7	11.3	10.8	13.3	13.6	12.6
Tax revenue	12.4	9.6	9.3	12.1	12.7	11.6
Nontax revenue	3.4	1.7	1.5	1.3	0.9	1.0
Capital revenue	0.2	0.3	0.2	0.2	0.2	0.7
<u>Total expenditure</u>	<u>16.6</u>	<u>12.5</u>	<u>12.0</u>	<u>14.3</u>	<u>16.5</u>	<u>18.1</u>
Current expenditure	7.6	6.9	6.3	6.8	7.7	7.3
Capital expenditure	9.0	5.6	5.7	7.4	8.7	10.8
<u>Current account balance</u>	<u>8.1</u>	<u>4.4</u>	<u>4.6</u>	<u>6.5</u>	<u>5.9</u>	<u>5.2</u>
Grants	1.3	0.8	0.7	0.9	0.8	0.3
<u>Overall balance after grants</u>	<u>0.5</u>	<u>-0.1</u>	<u>-0.3</u>	<u>0.3</u>	<u>-1.8</u>	<u>-4.6</u>

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

<sup>1/</sup> Foreign interest payments on accrual basis.

<sup>2/</sup> Includes RD\$3,943.8 million of estimated extra-budgetary expenditure.

Table 21. Dominican Republic: Summary Operations of the Public Enterprises 1/

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Current revenue</u>	<u>2,780.1</u>	<u>3,479.6</u>	<u>5,387.1</u>	<u>6,568.9</u>	<u>6,792.2</u>	<u>7,637.8</u>
Operating revenue	2,561.5	3,064.3	4,852.2	6,019.9	6,198.3	7,112.5
Government transfers	218.6	415.3	534.9	549.0	593.9	525.3
<u>Current expenditure</u>	<u>2,708.7</u>	<u>3,605.2</u>	<u>5,030.3</u>	<u>5,948.6</u>	<u>6,145.1</u>	<u>7,336.5</u>
Wages and salaries	651.4	905.5	1,264.8	1,577.9	1,714.3	1,638.7
Goods and services	1,664.3	2,010.9	3,034.7	3,856.9	3,693.4	5,125.0
Interest	340.1	658.2	689.9	455.9	628.3	506.8
Foreign 2/	308.9	594.4	599.4	412.5	572.5	428.0
Domestic	31.2	63.8	90.5	43.4	55.8	78.0
Current transfers	52.9	30.6	40.9	57.9	109.1	66.0
Public sector	20.4	13.1	22.5	24.4	76.7	35.8
Private sector	32.5	17.5	18.4	33.5	32.4	30.2
<u>Current surplus or deficit (-)</u>	<u>71.4</u>	<u>-125.6</u>	<u>356.8</u>	<u>620.3</u>	<u>647.1</u>	<u>301.4</u>
<u>Capital revenue</u>	<u>369.3</u>	<u>539.2</u>	<u>1,074.0</u>	<u>1,864.3</u>	<u>2,206.6</u>	<u>3,081.3</u>
Of which: public sector transfers	363.2	523.2	1,061.9	1,795.9	1,993.1	2,783.9
<u>Capital expenditure</u>	<u>1,531.6</u>	<u>1,278.3</u>	<u>2,491.0</u>	<u>3,495.4</u>	<u>4,204.9</u>	<u>4,192.4</u>
Capital formation	1,183.4	1,069.3	2,078.4	2,783.0	3,621.0	3,610.2
Capital transfers	133.8	150.8	149.8	271.8	335.0	334.0
Public sector	133.8	150.8	149.8	271.3	333.6	332.6
Private sector	--	--	--	0.5	1.4	1.4
Other	214.4	58.3	262.8	440.6	248.9	248.2
<u>Overall balance</u>	<u>-1,090.9</u>	<u>-864.7</u>	<u>-1,060.2</u>	<u>-1,010.8</u>	<u>-1,351.2</u>	<u>-809.8</u>
(In percent of GDP)						
<u>Revenue</u>	<u>7.4</u>	<u>6.2</u>	<u>6.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.8</u>
Current	6.6	5.4	5.4	5.8	5.6	5.6
Capital	0.9	0.8	1.1	1.7	1.8	2.2
<u>Expenditure</u>	<u>10.0</u>	<u>7.5</u>	<u>7.5</u>	<u>8.4</u>	<u>8.6</u>	<u>8.4</u>
Current	6.4	5.6	5.0	5.3	5.1	5.3
Capital	3.6	2.0	2.5	3.1	3.5	3.1
<u>Current surplus or deficit (-)</u>	<u>0.2</u>	<u>-0.2</u>	<u>0.4</u>	<u>0.6</u>	<u>0.5</u>	<u>0.2</u>
<u>Overall balance</u>	<u>-2.6</u>	<u>-1.3</u>	<u>-1.1</u>	<u>-0.9</u>	<u>-1.1</u>	<u>-0.6</u>
Memorandum items						
Current surplus or deficit (-) before						
Government transfers (millions of RD\$)	-126.8	-527.8	-155.6	95.7	129.9	-188.2
(percent of GDP)	-0.3	-0.8	-0.2	0.1	0.1	-0.1
Overall balance before government						
transfers (millions of RD\$)	-1,518.5	-1,639.3	-2,484.7	-3,060.0	-3,527.9	-3,750.5
(percent of GDP)	-3.6	-2.5	-2.5	-2.7	-2.9	-2.7

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

1/ Includes the Dominican Electricity Corporation (CDE); the Corporation of State Enterprises (CORDE); the State Sugar Council (CEA); the Price Stabilization Institute (INESPRE); the Port Authority; the Agricultural Bank; the Airport Commission; the Workers Saving Bank; the Water and Sewerage Commission for Santo Domingo; the Water and Sewerage Commission for Santiago; the National Water Institute; 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.

2/ On accrual basis.

Table 22. Dominican Republic: Operations of the Consolidated Public Sector

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>I. Consolidated Public Sector</b>						
<u>Total revenue</u>	<u>7,489.7</u>	<u>8,199.9</u>	<u>14,902.6</u>	<u>19,315.6</u>	<u>21,899.0</u>	<u>23,922.3</u>
Current revenue	7,288.2	7,989.8	14,695.8	18,964.9	21,327.7	22,700.6
Capital revenue	201.5	210.1	206.8	350.7	571.3	1,221.7
<u>Total expenditure</u>	<u>8,128.2</u>	<u>8,222.1</u>	<u>13,736.2</u>	<u>17,950.9</u>	<u>20,043.9</u>	<u>27,298.3</u>
Current expenditure 1/	2,934.9	3,833.1	6,351.2	7,717.8	10,465.7	11,144.2
Capital expenditure	5,193.4	4,389.0	7,385.0	10,233.1	12,577.7	16,154.0
<u>Current account balance</u>	<u>4,353.3</u>	<u>4,156.7</u>	<u>8,344.6</u>	<u>11,247.2</u>	<u>10,862.1</u>	<u>11,556.3</u>
<u>Residual deficit 2/</u>	<u>-1,941.4</u>	<u>-1,653.8</u>	<u>900.0</u>	<u>1,091.4</u>	<u>1,012.8</u>	<u>-476.5</u>
<u>Overall balance (before grants)</u>	<u>-2,580.0</u>	<u>-1,676.0</u>	<u>2,066.4</u>	<u>2,456.1</u>	<u>-131.5</u>	<u>3,852.5</u>
<u>Grants</u>	<u>541.8</u>	<u>522.4</u>	<u>707.3</u>	<u>1,062.5</u>	<u>997.3</u>	<u>461.7</u>
<u>Overall balance (after grants)</u>	<u>-2,038.2</u>	<u>-1,153.6</u>	<u>2,773.7</u>	<u>3,518.6</u>	<u>865.8</u>	<u>-3,390.8</u>
<u>Financing</u>	<u>2,038.2</u>	<u>1,153.6</u>	<u>-2,773.7</u>	<u>-3,518.6</u>	<u>-865.8</u>	<u>3,390.8</u>
External (net)	784.4	337.8	-411.6	-857.5	-760.0	-1,017.5
Drawings	1,092.6	676.9	1,052.7	872.5	1,433.8	1,615.0
Amortization due	920.6	1,454.2	-1,991.8	-2,018.8	-2,091.3	-2,411.3
Rescheduling	64.6	95.3	732.2	1,162.5	660.0	--
Arrears	547.8	1,019.8	-204.8	-873.8	-762.5	-221.3
Domestic (net)	1,253.8	815.8	-2,362.1	-2,661.1	-105.9	4,408.3
Banking system 3/	1,253.8	815.8	-2,362.1	-2,706.3	-105.9	4,408.3
<b>II. General Government</b>						
<u>Total revenue</u>	<u>7,288.3</u>	<u>8,066.6</u>	<u>11,897.0</u>	<u>16,353.5</u>	<u>18,033.7</u>	<u>19,511.0</u>
Current revenue	7,092.9	7,872.5	11,702.3	16,071.5	17,675.9	18,586.8
Capital revenue	195.4	194.1	194.7	282.0	357.8	924.2
<u>Total expenditure</u>	<u>6,908.7</u>	<u>7,664.0</u>	<u>12,134.6</u>	<u>15,756.8</u>	<u>19,701.5</u>	<u>25,032.4</u>
Current expenditure 4/	2,883.8	4,030.1	6,178.7	7,403.1	9,335.6	10,287.0
Of which: Current transfers	306.6	426.4	575.2	604.1	857.6	544.7
Capital expenditure	4,024.9	3,633.9	5,955.9	8,533.6	10,365.9	14,745.4
Of which: Capital transfers	691.0	580.3	978.9	2,347.0	2,528.0	2,813.6
<u>Current account balance</u>	<u>4,209.1</u>	<u>3,842.4</u>	<u>5,523.6</u>	<u>8,668.3</u>	<u>8,340.3</u>	<u>8,299.8</u>
<u>Overall balance (before grants)</u>	<u>379.6</u>	<u>402.6</u>	<u>-237.6</u>	<u>416.7</u>	<u>-1,667.8</u>	<u>-5,521.5</u>
<u>Grants</u>	<u>541.8</u>	<u>522.4</u>	<u>707.4</u>	<u>1,062.5</u>	<u>997.3</u>	<u>461.7</u>
<u>Overall balance (after grants)</u>	<u>921.4</u>	<u>925.0</u>	<u>469.7</u>	<u>1,479.2</u>	<u>-670.5</u>	<u>-5,059.8</u>
<b>IIa. Central Government</b>						
<u>Total revenue</u>	<u>6,732.4</u>	<u>7,481.5</u>	<u>11,020.0</u>	<u>15,247.2</u>	<u>16,712.3</u>	<u>18,138.8</u>
Current revenue	6,658.4	7,315.7	10,852.1	14,984.8	16,416.2	17,239.9
Capital revenue	74.0	165.8	167.9	262.4	296.1	898.9
<u>Total expenditure</u>	<u>6,344.2</u>	<u>7,114.1</u>	<u>11,116.7</u>	<u>14,757.4</u>	<u>18,608.0</u>	<u>23,617.0</u>
Current expenditure 4/	2,519.8	3,510.1	5,395.5	6,427.4	8,082.7	8,844.1
Of which: Current transfers	588.1	758.7	1,017.7	1,184.4	1,550.8	1,207.7
Capital expenditure	3,824.4	3,604.0	5,721.2	8,330.0	10,525.3	14,772.9
Of which: Capital transfers	914.8	1,406.7	2,492.8	3,211.1	3,253.9	3,793.4
<u>Current account balance</u>	<u>4,138.6</u>	<u>3,805.6</u>	<u>5,456.6</u>	<u>8,737.4</u>	<u>8,333.5</u>	<u>8,395.8</u>

Table 22. Dominican Republic: Operations of the Consolidated Public Sector (Continued)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>IIa. Central Government (continued)</b>						
<u>Overall balance (before grants)</u>	<u>388.2</u>	<u>367.4</u>	<u>-96.7</u>	<u>489.8</u>	<u>-1,895.7</u>	<u>-5,478.2</u>
<u>Grants</u>	<u>541.8</u>	<u>522.4</u>	<u>707.4</u>	<u>1,062.5</u>	<u>997.3</u>	<u>461.7</u>
<u>Overall balance (after grants)</u>	<u>930.0</u>	<u>889.8</u>	<u>610.6</u>	<u>1,552.3</u>	<u>-898.4</u>	<u>-5,016.5</u>
<b>IIb. Social Security Institute (IDSS)</b>						
<u>Total revenue</u>	<u>263.3</u>	<u>350.8</u>	<u>548.7</u>	<u>674.4</u>	<u>816.0</u>	<u>953.9</u>
Current revenue	263.3	350.8	548.7	674.4	816.0	953.9
Of which: Current transfers	13.4	5.7	--	--	--	--
Capital revenue	--	--	--	--	--	--
Of which: Capital transfers	--	--	--	--	--	--
<u>Total expenditure</u>	<u>259.8</u>	<u>359.0</u>	<u>510.6</u>	<u>648.1</u>	<u>825.6</u>	<u>969.2</u>
Current expenditure 4/	238.9	344.2	495.4	628.9	824.1	967.4
Capital expenditure	20.9	14.8	15.2	19.2	1.5	1.8
<u>Current account balance</u>	<u>24.4</u>	<u>6.6</u>	<u>53.3</u>	<u>45.5</u>	<u>-8.1</u>	<u>-13.5</u>
<u>Overall balance</u>	<u>3.5</u>	<u>-8.2</u>	<u>38.1</u>	<u>26.3</u>	<u>-9.6</u>	<u>-15.3</u>
<b>IIc. Local Governments 5/</b>						
<u>Total revenue</u>	<u>219.2</u>	<u>289.6</u>	<u>348.2</u>	<u>465.1</u>	<u>559.9</u>	<u>613.0</u>
Current revenue	206.5	236.7	322.6	461.8	532.0	564.2
Of which: Current transfers	126.4	144.7	205.5	296.8	356.3	383.6
Capital revenue	12.7	52.9	25.6	3.3	27.9	48.9
Of which: Capital transfers	4.0	42.9	10.9	--	27.9	47.6
<u>Total expenditure</u>	<u>203.6</u>	<u>229.7</u>	<u>322.1</u>	<u>393.7</u>	<u>453.5</u>	<u>606.8</u>
Current expenditure 4/	174.6	205.4	286.6	351.0	404.3	553.0
Capital expenditure	29.0	24.3	35.5	42.7	49.2	53.9
<u>Current account balance</u>	<u>31.9</u>	<u>31.3</u>	<u>36.0</u>	<u>110.8</u>	<u>127.7</u>	<u>11.2</u>
<u>Overall balance</u>	<u>15.6</u>	<u>59.9</u>	<u>26.1</u>	<u>71.4</u>	<u>106.4</u>	<u>6.2</u>
<b>IIId. Decentralized Government Agencies 6/</b>						
<u>Total revenue</u>	<u>578.7</u>	<u>1,103.4</u>	<u>1,936.5</u>	<u>1,411.2</u>	<u>1,364.6</u>	<u>1,448.0</u>
Current revenue	246.2	301.6	421.4	530.8	604.9	491.8
Of which: Current transfers	141.7	181.9	237.0	283.5	336.9	279.4
Capital revenue	332.5	801.8	1,515.1	880.4	759.7	956.2
Of which: Capital transfers	219.8	783.5	1,503.0	864.1	698.0	932.2
<u>Total expenditure</u>	<u>606.4</u>	<u>1,119.9</u>	<u>2,141.6</u>	<u>1,582.0</u>	<u>1,233.5</u>	<u>1,489.2</u>
Current expenditure 4/	232.0	302.7	443.7	576.2	717.7	585.5
Capital expenditure	374.4	817.2	1,697.9	1,005.8	515.8	986.7
<u>Current account balance</u>	<u>14.2</u>	<u>-1.1</u>	<u>-22.3</u>	<u>-45.4</u>	<u>-112.8</u>	<u>-93.7</u>
<u>Overall balance</u>	<u>-27.7</u>	<u>-16.5</u>	<u>-205.1</u>	<u>-170.8</u>	<u>131.1</u>	<u>-34.2</u>
<b>III. Public Enterprises 7/</b>						
<u>Total revenue</u>	<u>3,149.4</u>	<u>4,018.8</u>	<u>6,461.1</u>	<u>8,433.5</u>	<u>8,998.8</u>	<u>10,719.1</u>
Current revenue	2,780.1	3,479.6	5,387.1	6,568.9	6,792.2	7,637.8
Of which: Current transfers	218.6	415.3	534.9	549.0	593.9	525.3
Capital revenue	369.3	539.2	1,074.0	1,864.3	2,206.6	3,081.3
Of which: Capital transfers	363.2	523.2	1,061.9	1,795.9	1,993.1	2,783.8

Table 22. Dominican Republic: Operations of the Consolidated Public Sector (Continued)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Pre1. 1994
<b>III. Public Enterprises (continued)</b>						
<u>Total expenditure</u>	<u>3,897.9</u>	<u>4,225.3</u>	<u>6,831.4</u>	<u>8,988.1</u>	<u>9,721.7</u>	<u>11,022.1</u>
Current expenditure 4/	2,366.3	2,947.0	4,340.4	5,492.7	5,516.8	6,829.7
Capital expenditure	1,531.6	1,278.3	2,491.0	3,495.4	4,204.9	4,192.4
<u>Current account balance</u>	<u>413.9</u>	<u>532.6</u>	<u>1,046.7</u>	<u>1,076.2</u>	<u>1,275.4</u>	<u>808.1</u>
<u>Overall balance</u>	<u>-748.6</u>	<u>-206.5</u>	<u>-370.3</u>	<u>-554.6</u>	<u>-722.9</u>	<u>-303.0</u>
<b>IIIa. Dominican Electricity Corporation (CDE)</b>						
<u>Total revenue</u>	<u>899.6</u>	<u>1,447.4</u>	<u>2,653.7</u>	<u>3,241.3</u>	<u>3,779.6</u>	<u>3,885.1</u>
Current revenue	822.5	1,290.1	2,384.1	3,240.8	3,706.7	3,794.7
Of which: Current transfers	145.5	356.0	468.9	471.8	480.0	360.0
Capital revenue	77.1	157.3	269.6	0.5	72.9	90.4
Of which: Capital transfers	77.1	157.3	269.6	0.5	72.9	85.8
<u>Total expenditure</u>	<u>1,486.7</u>	<u>1,723.1</u>	<u>3,012.8</u>	<u>3,862.8</u>	<u>4,544.3</u>	<u>4,219.1</u>
Current expenditure 4/	839.0	1,276.0	2,021.7	2,915.3	3,045.4	3,601.9
Capital expenditure	647.7	447.1	991.1	947.5	1,498.9	617.2
<u>Current account balance</u>	<u>-16.5</u>	<u>14.1</u>	<u>362.4</u>	<u>325.5</u>	<u>661.3</u>	<u>192.8</u>
<u>Overall balance</u>	<u>-587.1</u>	<u>-275.7</u>	<u>-359.1</u>	<u>-621.5</u>	<u>-764.7</u>	<u>-334.0</u>
<b>IIIb. Corporation of State Enterprises (CORDE)</b>						
<u>Total revenue</u>	<u>23.7</u>	<u>29.7</u>	<u>89.4</u>	<u>93.5</u>	<u>170.0</u>	<u>68.9</u>
Current revenue	23.3	29.7	86.7	66.8	102.9	60.6
Of which: Current transfers	--	--	--	--	--	--
Capital revenue	0.4	--	2.7	26.7	67.1	8.3
Of which: Capital transfers	--	--	--	--	--	--
<u>Total expenditure</u>	<u>12.1</u>	<u>18.1</u>	<u>76.3</u>	<u>91.3</u>	<u>159.4</u>	<u>64.3</u>
Current expenditure 4/	16.3	16.6	47.6	47.5	64.4	36.4
Capital expenditure	-4.2	1.5	28.7	43.8	95.0	27.9
<u>Current account balance</u>	<u>7.0</u>	<u>13.1</u>	<u>39.1</u>	<u>19.3</u>	<u>38.5</u>	<u>24.2</u>
<u>Overall balance</u>	<u>11.6</u>	<u>11.6</u>	<u>13.1</u>	<u>2.2</u>	<u>10.6</u>	<u>4.6</u>
<b>IIIc. State Sugar Council (CEA)</b>						
<u>Total revenue</u>	<u>859.7</u>	<u>1,033.7</u>	<u>1,466.5</u>	<u>1,876.1</u>	<u>1,490.0</u>	<u>2,254.1</u>
Current revenue	847.8	1,023.5	1,466.0	1,699.5	1,192.1	1,881.7
Of which: Current transfers	--	--	--	2.1	--	--
Capital revenue	11.9	10.2	0.5	176.6	297.9	372.4
Of which: Capital transfers	11.9	2.0	--	175.0	297.9	315.0
<u>Total expenditure</u>	<u>894.1</u>	<u>1,044.0</u>	<u>1,487.8</u>	<u>1,772.9</u>	<u>1,401.6</u>	<u>2,281.5</u>
Current expenditure	698.3	843.3	1,252.4	1,549.7	1,258.7	2,132.5
Capital expenditure	195.8	200.7	235.4	223.2	142.9	149.5
<u>Current account balance</u>	<u>149.5</u>	<u>180.2</u>	<u>213.6</u>	<u>149.8</u>	<u>-66.6</u>	<u>-250.3</u>
<u>Overall balance</u>	<u>-34.4</u>	<u>-10.3</u>	<u>-21.3</u>	<u>103.2</u>	<u>88.4</u>	<u>-27.4</u>

Table 22. Dominican Republic: Operations of the Consolidated Public Sector (Concluded)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Pre1. 1994
<b>IIId. Price Stabilization Institute (INESFRE)</b>						
<u>Total revenue</u>	<u>296.8</u>	<u>440.0</u>	<u>495.4</u>	<u>272.8</u>	<u>334.2</u>	<u>244.0</u>
Current revenue	296.8	440.0	495.4	272.8	334.2	244.0
Of which: Current transfers	42.4	10.0	17.7	17.2	40.7	51.8
Capital revenue	--	--	--	--	--	--
Of which: Capital transfers	--	--	--	--	--	--
<u>Total expenditure</u>	<u>292.5</u>	<u>424.5</u>	<u>480.7</u>	<u>260.6</u>	<u>303.4</u>	<u>269.3</u>
Current expenditure 4/	290.9	422.2	477.9	256.2	300.6	266.2
Capital expenditure	1.6	2.3	2.8	4.4	2.8	3.1
<u>Current account balance</u>	<u>5.9</u>	<u>17.8</u>	<u>17.5</u>	<u>16.6</u>	<u>33.6</u>	<u>-22.2</u>
<u>Overall balance</u>	<u>4.3</u>	<u>15.5</u>	<u>14.7</u>	<u>12.2</u>	<u>30.8</u>	<u>-25.3</u>
<b>IIIe. Other Small Public Enterprises 7/</b>						
<u>Total revenue</u>	<u>1,069.5</u>	<u>1,068.0</u>	<u>1,756.1</u>	<u>2,949.8</u>	<u>3,225.0</u>	<u>4,267.0</u>
Current revenue	789.7	696.3	954.9	1,289.0	1,456.3	1,656.8
Of which: Current transfers	30.7	49.3	48.3	60.6	73.2	113.5
Capital revenue	279.8	371.7	801.2	1,660.8	1,768.7	2,610.2
Of which: Capital transfers	274.1	363.9	792.3	1,620.4	1,622.3	2,383.0
<u>Total expenditure</u>	<u>1,212.5</u>	<u>1,015.6</u>	<u>1,773.8</u>	<u>3,000.5</u>	<u>3,313.0</u>	<u>4,187.9</u>
Current expenditure 4/	521.8	388.9	540.8	724.0	847.7	793.2
Capital expenditure	690.7	626.7	1,233.0	2,276.5	2,465.3	3,394.7
<u>Current account balance</u>	<u>267.9</u>	<u>307.4</u>	<u>414.1</u>	<u>565.0</u>	<u>608.6</u>	<u>863.6</u>
<u>Overall balance</u>	<u>-143.0</u>	<u>52.4</u>	<u>-17.7</u>	<u>-50.7</u>	<u>-88.0</u>	<u>79.1</u>

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

1/ Includes interest payments on cash basis and interest payments on the nonreserve liabilities of the Central Bank.

2/ Reflects the operations of the nonconsolidated public sector and statistical discrepancies. In 1989, it includes operating losses of the Central Bank of RD\$77.4 million.

3/ In 1993 includes RD\$1,648.2 millions of accounting profits from the Venezuelan debt reduction deducted from the Central Bank's stock of claims on the Central Government.

4/ Refers to noninterest expenditure.

5/ Includes the local governments and the Municipal League.

6/ 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.

7/ Footnote 1 of Table 21 lists the enterprises included in the consolidated public sector.

Table 23. Dominican Republic: Central Government Revenue

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>Total revenue</b>	<b>6,732.4</b>	<b>7,481.5</b>	<b>11,020.0</b>	<b>15,247.2</b>	<b>16,712.3</b>	<b>18,138.8</b>
<b>Capital revenue</b>	<b>74.0</b>	<b>165.8</b>	<b>167.9</b>	<b>262.4</b>	<b>296.1</b>	<b>898.9</b>
<b>Current revenue</b>	<b>6,658.4</b>	<b>7,315.7</b>	<b>10,852.1</b>	<b>14,984.8</b>	<b>16,416.2</b>	<b>17,239.9</b>
<b>Tax revenue</b>	<b>5,236.9</b>	<b>6,220.2</b>	<b>9,346.8</b>	<b>13,545.8</b>	<b>15,352.8</b>	<b>15,876.5</b>
Taxes on income and profits	1,281.2	1,595.0	2,359.0	2,747.0	3,096.6	3,224.9
Taxes on property	54.6	63.9	80.1	103.5	132.2	123.8
Death or gift taxes	7.6	10.9	12.8	11.9	20.0	23.0
Property transfers	35.5	42.8	55.9	77.1	93.5	97.9
Other	11.5	10.2	11.4	14.5	18.7	2.9
Taxes on goods and services	1,496.2	2,070.8	2,972.7	4,244.7	5,324.1	6,363.3
General sales tax (VAT)	663.0	968.8	1,467.6	2,403.9	3,201.7	3,524.5
Custom	190.2	253.0	516.0	1,153.4	1,717.8	1,704.6
Domestic sales	472.8	715.8	951.6	1,250.5	1,483.9	1,819.9
Selective excise taxes	713.2	934.0	1,326.1	1,625.6	1,839.8	2,448.3
Excise tax on goods	389.7	463.2	638.2	830.6	975.0	1,025.7
Tobacco products	103.9	103.7	95.6	101.5	115.5	137.6
Beverages	231.8	253.3	237.6	405.0	513.8	594.9
Fuel consumption	52.2	90.6	302.5	321.7	342.9	288.4
Other	1.8	15.6	2.5	2.4	2.8	4.8
Excise tax on services	323.5	470.8	687.9	795.0	864.8	1,422.6
Other consumption taxes	120.0	168.0	179.0	215.2	282.6	390.5
Licenses	88.3	112.6	132.3	161.2	220.2	265.9
Motor vehicle and luxury items	31.7	55.4	46.7	54.0	62.4	124.6
Taxes on international trade and transactions	2,156.1	2,448.2	3,882.2	6,388.2	6,701.4	6,063.6
Import duties	2,027.4	1,586.5	2,969.5	5,332.4	6,700.2	5,777.9
Customs duties	1,146.6	615.2	2,245.5	4,587.8	6,431.7	5,625.9
Other charges	880.8	971.3	724.0	744.6	268.5	152.0
Export duties	128.7	5.2	3.1	2.2	1.2	1.0
Sugar and minerals	--	--	--	--	--	--
Coffee and cocoa	125.7	2.1	--	--	--	--
Other charges	3.0	3.1	3.1	2.2	1.2	1.0
Import exchange surcharge	--	856.5	909.6	1,053.6	--	284.7
Other taxes	248.8	42.3	52.8	62.4	98.5	100.9
Stamp taxes	28.6	28.7	35.9	44.9	47.3	53.4
Other	220.2	13.6	16.9	17.5	51.2	47.5
<b>Nontax revenue</b>	<b>1,421.5</b>	<b>1,095.5</b>	<b>1,505.3</b>	<b>1,439.0</b>	<b>1,063.4</b>	<b>1,363.4</b>
Falconbridge Mining Company	946.5	610.6	916.7	618.8	86.3	--
Property income	383.3	315.8	222.7	362.4	449.1	417.3
Rosario Mining Company	23.2	3.9	--	10.0	--	--
Other public enterprises and institutions	336.3	284.6	183.0	325.6	396.1	347.7
Other property income	23.8	27.3	39.7	26.8	53.0	69.6
Fees and charges	69.4	147.1	329.5	406.7	436.3	846.9
Other nontax revenue	22.3	22.0	36.4	51.1	91.7	99.2

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

Table 24. Dominican Republic: Central Government Expenditure

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
By Economic Type:						
<u>Total expenditure 1/</u>	<u>7,049.1</u>	<u>8,094.0</u>	<u>12,016.6</u>	<u>16,013.3</u>	<u>19,851.2</u>	<u>24,854.1</u>
<u>Current expenditure</u>	<u>3,224.7</u>	<u>4,490.0</u>	<u>6,295.4</u>	<u>7,683.3</u>	<u>9,325.9</u>	<u>10,081.2</u>
Salaries and wages	1,212.9	1,645.2	2,208.4	2,822.9	3,562.1	4,071.4
Goods and services	519.0	771.1	1,000.0	1,618.3	2,212.7	2,855.6
Current transfers	787.9	1,093.8	1,557.1	1,806.2	2,307.9	1,916.8
Public sector	588.1	758.7	1,017.7	1,184.4	1,550.8	1,207.7
Private sector	198.0	333.4	535.9	611.7	740.3	706.7
Foreign	1.8	1.7	3.5	10.1	16.8	2.4
Interest payments	704.9	979.9	1,529.9	1,435.9	1,243.2	1,237.1
Foreign 2/	699.5	976.2	1,517.7	1,403.8	1,223.8	1,237.1
Domestic	5.4	3.7	12.2	32.1	19.4	--
<u>Capital expenditure</u>	<u>3,824.4</u>	<u>3,604.0</u>	<u>5,721.2</u>	<u>8,330.0</u>	<u>10,525.3</u>	<u>14,772.9</u>
Fixed investment	2,720.4	2,063.2	2,298.2	3,987.5	6,565.9	10,508.2 3/
Capital transfers	914.8	1,406.7	2,492.8	3,211.1	3,253.9	3,793.4
Other	188.7	134.1	930.2	1,131.4	705.5	471.3
By Function:						
<u>Total</u>	<u>7,049.1</u>	<u>8,094.0</u>	<u>12,016.6</u>	<u>16,013.3</u>	<u>19,851.2</u>	<u>...</u>
Health	791.9	1,047.5	1,585.8	2,833.0	3,610.7	...
Education	574.8	707.5	936.3	1,501.6	2,007.4	...
Welfare	1,011.4	852.3	949.6	1,039.1	1,591.7	...
Defense	283.5	340.5	553.2	754.0	1,007.4	...
Administration	508.3	1,385.9	1,469.1	1,257.8	1,021.6	...
Financial services	704.9	979.9	1,529.9	1,435.9	1,243.2	...
Other 4/	3,174.3	2,780.4	4,992.7	7,191.9	9,369.2	...
(In percent of GDP)						
By Function:						
<u>Total</u>	<u>16.6</u>	<u>12.5</u>	<u>12.0</u>	<u>14.3</u>	<u>16.5</u>	<u>...</u>
Health	1.9	1.6	1.6	2.5	3.0	...
Education	1.4	1.1	0.9	1.3	1.7	...
Welfare	2.4	1.3	0.9	0.9	1.3	...
Defense	0.7	0.5	0.6	0.7	0.8	...
Administration	1.2	2.1	1.5	1.1	0.8	...
Financial services	1.7	1.5	1.5	1.3	1.0	...
Other	7.3	4.3	5.0	6.4	7.8	...

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

- 1/ Includes expenditure financed with the Falconbridge contribution to the Central Government.
- 2/ On accrual basis.
- 3/ Includes RD\$3,943.8 million of estimated extrabudget expenditure.
- 4/ Includes public works.



Table 25. Dominican Republic: Central Government Transfers

(millions of Dominican pesos)

	1989	1990	1991	1992	1993	Pre1. 1994
<b>I. Current Transfers 1/</b>						
<b>Total</b>	<b>787.9</b>	<b>1,093.8</b>	<b>1,557.1</b>	<b>1,806.2</b>	<b>2,307.9</b>	<b>1,916.8</b>
<b>Public sector</b>	<b>588.1</b>	<b>758.7</b>	<b>1,017.7</b>	<b>1,184.4</b>	<b>1,550.8</b>	<b>1,207.7</b>
Consolidated	513.8	751.3	979.5	1,129.2	1,548.7	1,188.3
IDSS	14.3	4.8	--	--	--	--
Local governments	137.5	152.7	205.3	300.1	346.4	383.6
Decentralized agencies	147.2	179.3	239.5	285.6	354.2	279.4
Public enterprises	214.8	414.5	534.7	543.5	848.1	525.9
Large enterprises	187.4	365.9	486.6	488.9	401.5	411.8
CDE	145.0	355.9	468.9	471.7	360.0	360.0
INESPRE	42.4	10.0	17.7	17.2	31.5	51.8
CEA	--	--	--	--	10.0	--
CORDE	--	--	--	--	--	--
Small enterprises	27.4	48.6	48.1	54.6	446.6	113.5
Nonconsolidated 2/	70.9	7.4	38.2	55.2	2.1	19.4
Financial public sector	3.4	--	--	--	--	--
Private sector	198.0	333.4	535.9	611.7	740.3	706.7
Foreign sector	1.8	1.7	3.5	10.1	16.8	2.4
<b>II. Capital Transfers 1/</b>						
<b>Total</b>	<b>914.8</b>	<b>1,406.7</b>	<b>2,492.8</b>	<b>3,211.1</b>	<b>3,253.9</b>	<b>3,793.4</b>
Consolidated	661.2	1,342.4	1,902.7	2,748.9	3,215.8	3,763.5
IDSS	--	--	--	--	--	--
Local governments	4.9	2.0	6.0	17.7	5.7	47.6
Decentralized agencies	281.8	816.0	836.3	932.9	857.7	932.2
Public enterprises	374.5	524.4	1,060.4	1,798.3	2,352.4	2,783.1
Large enterprises	94.0	160.2	269.6	205.5	446.2	400.1
CDE	82.1	158.2	269.6	30.5	139.1	85.7
INESPRE	--	--	--	--	9.2	--
CEA	11.9	2.0	--	175.0	297.9	315.0
CORDE	--	--	--	--	--	--
Small enterprises	280.5	364.2	790.8	1,592.8	1,906.2	2,383.0
Nonconsolidated 2/	233.2	64.3	578.8	462.2	38.1	29.9
Financial public sector	20.4	--	11.4	--	--	--

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

1/ Includes transfers financed with Falconbridge contributions to the Central Government.

2/ It refers to the extrabudgetary agencies and CORDE's affiliates.

Table 26. Dominican Republic: Consolidated Accounts of the Financial System

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<u>Net international reserves</u>	<u>-1,133.0</u>	<u>-1,599.4</u>	<u>3,106.2</u>	<u>4,777.6</u>	<u>6,942.3</u>	<u>600.2</u>
<u>Net domestic credit</u>	<u>20,363.1</u>	<u>25,400.1</u>	<u>27,453.1</u>	<u>31,950.7</u>	<u>35,703.1</u>	<u>43,393.2</u>
Net claims on the public sector	5,036.8	5,765.7	3,403.6	742.5	-1,011.5	4,012.1
Central government (net)	1,115.9	970.3	-699.9	-2,682.4	-3,504.1	-211.2
Other public sector (net)	3,920.9	4,795.4	4,103.5	3,424.9	2,492.6	4,223.4
Official capital and surplus	-603.7	-687.9	-847.7	-1,034.5	-1,131.4	-1,165.1
Private sector	12,398.8	15,744.4	19,285.6	25,145.1	29,090.0	32,619.3
Nonmonetary international organizations	86.0	155.9	180.5	224.9	224.9	224.9
Net unclassified assets	3,311.5	4,345.7	4,908.1	5,905.1	7,022.2	6,541.5
Intrasystem float	133.8	76.3	523.0	967.6	1,508.9	1,160.4
<u>Revaluation account</u>	<u>7,626.3</u>	<u>15,054.6</u>	<u>18,577.6</u>	<u>17,969.3</u>	<u>17,705.9</u>	<u>16,031.3</u>
<u>Counterpart unrequited foreign exchange</u>	<u>242.1</u>	<u>9.3</u>	<u>515.4</u>	<u>569.9</u>	<u>637.1</u>	<u>528.4</u>
Of which: revaluation of gold	36.3	36.2	35.6	35.3	35.5	35.7
<u>Medium- and long-term foreign liabilities</u>	<u>8,330.0</u>	<u>15,679.7</u>	<u>17,036.6</u>	<u>15,063.2</u>	<u>15,103.0</u>	<u>10,263.5</u>
<u>Liabilities to private sector</u>	<u>18,284.4</u>	<u>23,166.3</u>	<u>31,584.9</u>	<u>39,064.5</u>	<u>44,611.2</u>	<u>49,232.8</u>
Currency in circulation	2,664.5	3,718.9	4,585.3	5,926.4	6,919.4	7,691.9
Demand deposits	2,350.0	3,373.1	4,468.3	4,515.6	6,146.5	5,672.3
Time and savings deposits	5,542.7	7,360.1	10,770.0	14,652.5	18,726.7	21,060.8
Specialized deposits	455.2	262.7	82.7	94.4	72.9	197.0
Other liabilities <sup>1/</sup>	3,174.5	3,331.2	4,844.0	6,168.6	6,077.3	6,511.2
Private capital and surplus	2,076.1	2,814.4	3,779.0	4,057.4	4,212.9	5,084.3
Bonds issued by the Central Bank	124.1	121.5	467.5	502.2	196.5	578.0
Bonds issued by nonbank institutions	1,897.3	2,184.4	2,588.1	3,147.4	2,259.0	2,437.3

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> Includes deposits against certain letters of credit, 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 27. Dominican Republic: Private Sector Claims on the Financial System

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Total private sector claims</u>	<u>18,284.4</u>	<u>23,166.3</u>	<u>31,584.9</u>	<u>39,064.5</u>	<u>44,611.2</u>	<u>49,232.8</u>
Money and quasi-money	13,033.8	17,020.7	22,961.9	28,838.5	34,321.0	37,637.3
Money	5,014.5	7,092.0	9,053.6	10,442.0	13,065.9	13,364.2
Currency in circulation	2,664.5	3,718.9	4,585.3	5,926.4	6,919.4	7,691.9
Demand deposits	2,350.0	3,373.1	4,468.3	4,515.6	6,146.5	5,672.3
Quasi-money	8,019.3	9,928.7	13,908.3	18,396.5	21,255.1	24,273.1
Specialized deposits	455.2	262.7	82.7	94.4	72.9	197.0
Time and savings deposits	5,542.7	7,360.1	10,770.0	14,652.5	18,726.7	21,060.8
Bonds	2,021.4	2,305.9	3,055.6	3,649.6	2,455.5	3,015.3
Other liabilities 1/	3,174.5	3,331.2	4,844.0	6,168.6	6,077.3	6,511.2
Private capital and surplus	2,076.1	2,814.4	3,779.0	4,057.4	4,212.9	5,084.3
(In percent of GDP) 2/						
<u>Total private sector claims</u>	<u>37.2</u>	<u>32.0</u>	<u>27.4</u>	<u>31.4</u>	<u>34.7</u>	<u>34.2</u>
Money and quasi-money	26.9	23.2	20.0	23.0	26.2	26.2
Money	10.7	9.3	8.1	8.7	9.7	9.6
Currency in circulation	5.4	4.9	4.1	4.7	5.3	5.3
Demand deposits	5.4	4.4	3.9	4.0	4.4	4.3
Quasi-money	16.2	13.8	11.9	14.4	16.4	16.6
Specialized deposits	0.5	0.6	0.2	0.1	0.1	0.1
Time and savings deposits	11.3	9.9	9.1	11.3	13.8	14.5
Bonds	4.4	3.3	2.7	3.0	2.5	2.0
Other liabilities 1/	6.0	5.0	4.1	4.9	5.1	4.6
Private capital and surplus	4.2	3.8	3.3	3.5	3.4	3.4
(Percentage change from preceding end of year)						
<u>Total private sector claims</u>	<u>38.2</u>	<u>26.7</u>	<u>36.3</u>	<u>23.7</u>	<u>14.2</u>	<u>10.4</u>
Money and quasi-money	33.3	30.6	34.9	25.6	19.0	9.7
Money	22.6	41.4	27.7	15.3	25.1	2.3
Currency in circulation	42.0	39.6	23.3	29.2	16.8	11.2
Demand deposits	6.1	43.5	32.5	1.1	36.1	-7.7
Quasi-money	41.1	23.8	40.1	32.3	15.5	14.2
Specialized deposits	...	-42.3	-68.5	14.1	-22.8	170.2
Time and savings deposits	38.7	32.8	46.3	36.0	27.8	12.5
Bonds	19.7	14.1	32.5	19.4	-32.7	22.8
Other liabilities 1/	64.2	4.9	45.4	27.3	-1.5	7.1
Private capital and surplus	36.4	35.6	34.3	7.4	3.8	20.7

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

1/ Includes deposits against certain letters of credit, 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 28. Dominican Republic: Stock of Financial System Credit by Origin, Destination, and Financing

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>Total credit</b>	<b>20,363.1</b>	<b>25,400.1</b>	<b>27,453.1</b>	<b>31,950.7</b>	<b>35,703.1</b>	<b>43,393.2</b>
<b>Origin</b>	<b>20,363.1</b>	<b>25,400.1</b>	<b>27,453.1</b>	<b>31,950.7</b>	<b>35,703.1</b>	<b>43,393.2</b>
Central Bank	6,299.2	8,488.3	7,108.3	4,576.9	5,468.8	7,976.1
Reserves Bank	1,426.5	1,402.2	545.4	1,313.5	1,115.3	2,730.2
Private commercial banks	6,839.0	8,516.4	10,982.4	15,503.7	17,845.3	20,757.5
Nonbank financial intermediaries	5,664.6	6,916.9	8,294.0	9,589.0	9,764.8	10,769.0
Intrasystem float and valuation changes	133.8	76.3	523.0	967.6	1,508.9	1,160.4
<b>Destination</b>	<b>20,363.1</b>	<b>25,400.1</b>	<b>27,453.1</b>	<b>31,950.7</b>	<b>35,703.1</b>	<b>43,393.2</b>
Net claims on the public sector	5,036.8	5,765.7	3,403.6	742.5	-1,011.5	4,012.2
Central government (net)	1,115.9	970.3	-699.9	-2,682.4	-3,504.1	-211.2
Other public sector (net)	3,920.9	4,795.4	4,103.5	3,424.9	2,492.6	4,223.4
Official capital and surplus	-603.7	-687.9	-847.7	-1,034.5	-1,131.4	-1,165.1
Private sector	12,398.8	15,744.4	19,285.6	25,145.1	29,090.0	32,619.3
Nonmonetary international organizations	86.0	155.9	180.5	224.9	224.9	224.9
Net unclassified assets	3,311.5	4,345.7	4,908.1	5,905.1	7,022.2	6,541.5
Intrasystem float	133.8	76.3	523.0	967.6	1,508.9	1,160.4
<b>Financing</b>	<b>20,363.1</b>	<b>25,400.1</b>	<b>27,453.1</b>	<b>31,950.7</b>	<b>35,703.1</b>	<b>43,393.2</b>
Liabilities to private sector	18,284.4	23,166.3	31,584.9	39,064.5	44,611.2	49,232.8
Net international reserves	1,133.0	1,599.4	-3,106.2	-4,777.6	-6,942.3	-600.2
Medium- and long-term foreign liabilities	8,330.0	15,679.7	17,036.6	15,063.2	15,103.0	10,263.5
Revaluation account	-7,626.3	-15,054.6	-18,577.6	-17,969.3	-17,705.9	-16,031.3
Counterpart unrequited foreign exchange	242.1	9.3	515.4	569.9	637.1	528.4
Of which: revaluation of gold	36.3	36.2	35.6	35.3	35.5	35.7

Source: Central Bank of the Dominican Republic.

Table 29. Dominican Republic: Changes in Financial System  
Credit by Origin, Destination, and Financing

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of Dominican pesos)						
<u>Total credit</u>	<u>6,790.5</u>	<u>5,286.1</u>	<u>3,051.4</u>	<u>3,834.8</u>	<u>3,421.8</u>	<u>10,294.3</u>
<u>Origin</u>	<u>6,790.5</u>	<u>5,286.1</u>	<u>3,051.4</u>	<u>3,834.8</u>	<u>3,421.8</u>	<u>10,294.3</u>
Central Bank	2,489.2	2,438.2	-381.6	-3,194.2	561.3	5,111.5
Reserves Bank	570.5	-24.3	-856.8	768.1	-198.2	1,614.9
Private commercial banks	2,599.0	1,677.4	2,466.0	4,521.3	2,341.6	2,912.2
Nonbank financial intermediaries	1,442.1	1,252.3	1,377.1	1,295.0	175.8	1,004.2
Other 1/	-397.2	-57.5	446.7	444.6	541.3	-348.5
<u>Destination</u>	<u>6,790.5</u>	<u>5,286.1</u>	<u>3,051.4</u>	<u>3,834.8</u>	<u>3,421.8</u>	<u>10,294.3</u>
Public sector (net)	1,253.8	815.9	-2,362.1	-2,661.1	-105.8	4,408.8
Central Government (net)	880.9	58.6	-1,670.2	-1,982.5	826.5	3,292.9
Other public sector (net)	372.9	874.5	-691.9	-678.6	-932.2	1,115.9
Private sector	3,953.0	3,345.6	3,541.2	5,859.5	3,944.9	3,529.3
Other 2/	1,496.8	1,124.6	1,872.3	636.4	-417.3	2,356.2
<u>Financing</u>	<u>6,790.5</u>	<u>5,286.1</u>	<u>3,051.4</u>	<u>3,834.8</u>	<u>3,421.8</u>	<u>10,294.3</u>
Liabilities to private sector	5,053.2	4,881.9	8,418.6	7,479.6	5,546.7	4,621.6
Net international reserves (increase -) 3/	690.3	-305.7	-4,903.0	-1,671.4	-2,164.7	6,422.1
Medium- and long-term foreign liabilities 4/	960.1	709.9	-464.2	-1,973.4	39.8	-749.4
(Share of credit expansion)						
<u>Origin</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>
Central Bank	37.1	46.1	-12.5	-83.3	16.4	49.7
Reserves Bank	8.5	-0.5	-28.1	20.0	-5.8	15.7
Private commercial banks	38.8	31.7	80.8	117.9	68.4	28.3
Nonbank financial intermediaries	21.5	23.7	45.1	33.8	5.1	9.8
Other 1/	-5.9	-1.1	14.6	11.6	15.8	-3.4
<u>Destination</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>
Public sector	18.7	15.4	-77.4	-69.4	-3.1	42.8
Private sector	59.0	63.3	116.1	152.8	115.3	34.3
Other 2/	22.3	21.3	61.4	16.6	-12.2	22.9
(Percentage change) 5/						
<u>Net domestic credit</u>	<u>50.7</u>	<u>28.9</u>	<u>13.2</u>	<u>12.1</u>	<u>8.8</u>	<u>23.1</u>
Public sector	9.5	4.5	-10.2	-8.4	-0.3	9.9
Private	29.9	18.3	15.3	18.6	10.1	7.9
<u>Liabilities to private sector</u>	<u>38.2</u>	<u>26.7</u>	<u>36.3</u>	<u>23.7</u>	<u>14.2</u>	<u>10.4</u>

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. Excludes changes in the stock of the medium- and long-term foreign liabilities of the Central Bank due to the debt-reduction agreement with foreign commercial bank creditors executed in July 1994 (US\$433.6 million).

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

Table 30. Dominican Republic: Summary Accounts on the Banking System 1/

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>I. Central Bank</b>						
<u>Net international reserves</u>	<u>-1,733.2</u>	<u>-2,212.2</u>	<u>2,281.3</u>	<u>3,825.0</u>	<u>5,472.5</u>	<u>-409.3</u>
Assets	777.3	769.4	5,327.5	6,121.3	8,071.3	3,334.6
Liabilities	-2,510.5	-2,981.6	-3,046.2	-2,296.3	-2,598.8	-3,743.9
Arrears	-195.6	-296.8	-307.5	-171.3	-5.0	-2.6
Other	-2,314.9	-2,684.8	-2,738.7	-2,125.0	-2,593.8	-3,741.3
<u>Net domestic credit</u>	<u>6,845.5</u>	<u>10,261.6</u>	<u>8,873.2</u>	<u>6,432.2</u>	<u>7,437.6</u>	<u>10,284.3</u>
Net claims on the public sector	4,481.4	5,490.1	3,961.8	2,708.3	1,007.9	4,969.1
Central Government (net)	1,353.7	1,483.9	459.7	-463.3	-1,401.2	1,342.4
Claims 2/	1,630.8	1,684.0	1,955.8	1,845.2	842.8	1,499.7
Deposits (budgetary reserve)	-277.1	-200.1	-1,496.1	-2,308.5	-2,244.0	-157.3
Operating losses of the Central Bank	1,957.4	1,957.4	1,957.4	1,957.4	1,957.4	1,957.4
Payments of interest on external debt	366.9	665.3	925.4	1,198.9	1,502.4	2,132.6
Other Central Government (net)	--	--	-536.9	-1,078.8	-1,609.0	-2,103.4
Rest of public sector (net)	803.4	1,383.5	1,156.2	1,094.1	558.3	1,640.1
Official capital and surplus	-62.3	-57.3	-60.2	-60.2	-60.2	-60.2
Credit to rest of the financial system	519.1	681.1	830.5	944.6	1,143.8	1,156.2
Credit to commercial banks	1,124.3	1,595.0	1,373.3	1,096.0	1,108.9	1,535.7
Nonmonetary international organizations	86.0	155.9	180.5	224.9	224.9	224.9
Other assets (net) 3/	697.1	2,396.8	2,587.3	1,518.6	4,012.3	2,458.6
<u>Revaluation account</u>	<u>8,189.8</u>	<u>14,486.2</u>	<u>17,277.1</u>	<u>17,461.7</u>	<u>17,871.2</u>	<u>16,415.1</u>
<u>Counterpart of unrequited foreign exchange 4/</u>	<u>242.1</u>	<u>9.3</u>	<u>515.4</u>	<u>569.9</u>	<u>637.1</u>	<u>528.4</u>
Of which: revaluation of gold	36.3	36.2	35.6	35.3	35.5	35.7
<u>Medium- and long-term foreign liabilities</u>	<u>8,318.6</u>	<u>15,667.1</u>	<u>17,019.3</u>	<u>15,046.4</u>	<u>15,083.6</u>	<u>10,242.9</u>
Refinancing with foreign commercial banks	4,477.0	7,922.1	8,841.6	8,841.6	8,841.6	6,690.8
Other	3,841.6	7,745.0	8,177.7	6,204.8	6,242.0	3,552.1
<u>Liabilities to commercial banks</u>	<u>1,512.0</u>	<u>2,312.3</u>	<u>5,326.7</u>	<u>5,089.9</u>	<u>7,406.5</u>	<u>6,710.8</u>
Cash in vaults	507.3	829.5	1,167.2	1,028.9	1,192.1	1,274.2
Reserve deposits	992.2	1,441.9	2,553.9	3,944.1	6,205.6	4,790.8
Special deposits 5/	41.2	51.0	41.7	26.9	9.2	8.2
Arrears and letters of credit in arrears to local banks 6/	-30.9	-26.5	-24.6	-13.7	-0.4	-0.2
Stabilization bonds	2.2	16.4	178.2	16.0	--	165.4
Other	--	--	1,410.3	87.7	--	472.4
<u>Liabilities to other financial institutions</u>	<u>383.4</u>	<u>401.6</u>	<u>413.3</u>	<u>483.8</u>	<u>479.4</u>	<u>486.6</u>
<u>Liabilities to the private sector</u>	<u>2,846.1</u>	<u>4,145.3</u>	<u>5,156.9</u>	<u>6,528.9</u>	<u>7,174.7</u>	<u>8,321.4</u>
Currency in circulation	2,664.5	3,718.9	4,585.3	5,926.4	6,919.4	7,691.9
Demand deposits	56.1	302.5	101.1	97.2	56.5	48.4
Interest due on deposits	1.4	2.4	3.0	3.1	2.3	3.1
Stabilization bonds	124.1	121.5	467.5	502.2	196.5	578.0

Table 30. Dominican Republic: Summary Accounts on the Banking System 1/ (Continued)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>II. Reserves Bank</b>						
<u>Net foreign assets</u>	<u>452.0</u>	<u>679.8</u>	<u>851.3</u>	<u>731.3</u>	<u>611.1</u>	<u>656.4</u>
Assets	515.3	679.8	851.3	731.3	611.1	656.4
Liabilities	-63.3	--	--	--	--	--
<u>Monetary reserves and currency holdings</u>	<u>540.2</u>	<u>796.8</u>	<u>1,620.9</u>	<u>1,689.1</u>	<u>2,313.8</u>	<u>1,115.7</u>
Cash in vaults	163.4	238.7	345.2	355.6	356.4	266.6
Reserve deposits	347.0	514.7	1,232.8	1,111.4	1,928.5	820.2
Special deposits	38.8	36.1	35.6	214.5	28.9	28.9
Arrears and letters of credit in arrears	-9.0	-6.9	-6.9	-6.4	--	--
Stabilization bonds	--	14.2	14.2	14.0	--	--
<u>Net domestic assets</u>	<u>1,413.0</u>	<u>1,417.9</u>	<u>628.7</u>	<u>1,347.7</u>	<u>1,147.8</u>	<u>2,760.3</u>
Net claims on the public sector	530.5	291.5	-450.3	-1,835.2	-1,953.8	-892.5
Central government (net)	-248.3	-525.8	-1,168.6	-2,228.0	-2,112.3	-1,562.1
Claims	206.2	296.0	210.6	333.5	229.1	279.7
Deposits	-454.5	-821.8	-1,379.2	-2,561.5	-2,341.4	-1,841.8
State and local governments (net)	5.4	-4.8	-6.9	-14.4	-12.8	-16.1
Rest of public sector	773.4	822.1	725.2	407.2	171.3	685.7
Official capital and surplus	-470.3	-532.5	-658.1	-803.4	-912.2	-959.9
Credit to rest of the financial system	2.3	34.5	36.2	26.0	32.3	36.7
Credit to private sector	1,236.8	1,598.0	1,905.9	3,653.8	3,928.5	4,638.7
Net unclassified assets	129.5	45.2	-252.1	298.3	52.8	-56.1
Net inter-bank float	-15.8	-18.8	47.1	8.2	0.2	-6.6
<u>Revaluation account</u>	<u>-375.6</u>	<u>-376.9</u>	<u>-450.2</u>	<u>-112.1</u>	<u>139.8</u>	<u>-311.6</u>
<u>Liabilities to monetary authorities</u>	<u>598.1</u>	<u>624.7</u>	<u>496.2</u>	<u>435.6</u>	<u>157.4</u>	<u>172.9</u>
<u>Liabilities to the rest of the financial system</u>	<u>31.7</u>	<u>14.8</u>	<u>26.0</u>	<u>47.4</u>	<u>24.7</u>	<u>11.5</u>
<u>Liabilities to the private sector</u>	<u>1,399.8</u>	<u>1,878.1</u>	<u>2,128.5</u>	<u>3,173.0</u>	<u>4,030.4</u>	<u>4,036.4</u>
Demand deposits	391.4	583.0	449.1	642.2	868.1	400.6
Time and savings deposits	529.0	784.8	1,328.1	1,975.7	2,846.3	3,368.3
Special deposits	37.7	104.6	29.2	11.2	3.6	18.7
Other liabilities (net)	441.7	405.7	322.1	543.9	312.4	248.8
Other liabilities	450.7	412.6	329.0	550.3	312.4	248.8
Arrears	-9.0	-6.9	-6.9	-6.4	--	--

Table 30. Dominican Republic: Summary Accounts on the Banking System 1/ (Continued)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>III. Private Commercial Banks</b>						
<u>Net international reserves</u>	<u>148.2</u>	<u>-67.1</u>	<u>-26.8</u>	<u>220.8</u>	<u>855.6</u>	<u>349.9</u>
Assets	267.4	711.9	784.4	944.0	1,372.9	1,154.4
Liabilities	-119.2	-779.0	-811.2	-723.2	-517.3	-804.5
<u>Monetary reserves and currency holdings</u>	<u>1,885.3</u>	<u>1,880.7</u>	<u>4,009.6</u>	<u>3,580.6</u>	<u>3,163.1</u>	<u>5,807.3</u>
Cash in vaults	343.9	590.8	822.0	673.3	835.7	1,007.6
Reserve deposits	931.7	1,140.6	2,955.8	2,892.9	4,323.5	4,612.8
Special deposits	630.6	166.7	85.5	19.7	4.3	21.7
Arrears and letters of credit in arrears	-23.1	-19.6	-17.7	-7.3	-0.4	-0.2
Stabilization bonds	2.2	2.2	164.0	2.0	--	165.4
<u>Net domestic assets</u>	<u>6,960.9</u>	<u>8,774.2</u>	<u>11,445.7</u>	<u>16,050.2</u>	<u>18,324.7</u>	<u>21,173.9</u>
Net claims on the public sector	24.9	-15.9	-107.9	-130.6	-65.6	-64.5
Central Government (net)	10.5	12.2	9.0	8.9	9.4	8.5
Claims	10.5	12.2	9.0	8.9	9.4	8.5
Deposits	--	--	--	--	--	--
State and local governments (net)	-1.4	-35.0	-8.9	-16.3	-9.6	-7.9
Rest of public sector	15.8	6.9	-108.0	-123.2	-65.4	-65.1
Credit to rest of the financial system	149.5	278.5	458.2	554.2	479.1	469.8
Credit to private sector	5,621.2	7,345.7	9,220.3	12,152.6	15,513.2	17,527.4
Net unclassified assets	1,192.9	1,186.6	1,870.0	3,481.7	2,397.7	3,294.6
Net interbank float	-27.6	-20.7	5.1	-7.7	0.3	-53.4
<u>Revaluation account</u>	<u>-187.9</u>	<u>945.3</u>	<u>1,750.7</u>	<u>619.7</u>	<u>-305.1</u>	<u>-72.2</u>
<u>Liabilities to monetary authorities</u>	<u>301.2</u>	<u>799.4</u>	<u>839.4</u>	<u>656.9</u>	<u>738.0</u>	<u>1,161.9</u>
<u>Liabilities to the rest of the financial system</u>	<u>411.4</u>	<u>573.4</u>	<u>963.0</u>	<u>1,195.4</u>	<u>1,194.6</u>	<u>1,445.5</u>
<u>Liabilities to the private sector</u>	<u>8,093.9</u>	<u>10,160.3</u>	<u>15,376.8</u>	<u>18,619.0</u>	<u>22,105.7</u>	<u>24,651.5</u>
Demand deposits	1,901.1	2,485.2	3,915.1	3,773.1	5,219.6	5,220.2
Time and savings deposits	3,654.2	5,032.3	7,496.4	10,306.0	13,202.2	14,985.2
Special deposits	417.5	158.1	53.5	83.2	69.3	178.3
Other liabilities (net)	1,016.6	880.4	1,604.0	2,217.2	1,123.9	1,163.1
Other liabilities	1,039.7	900.0	1,621.7	2,224.5	1,124.3	1,163.3
Arrears	-23.1	-19.6	-17.7	-7.3	-0.4	-0.2
Private capital and surplus	1,104.5	1,604.3	2,307.8	2,239.5	2,490.7	3,104.7



Table 30. Dominican Republic: Summary Accounts on the Banking System 1/ (Concluded)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>IV. Consolidated Banking System</b>						
<u>Net foreign assets</u>	<u>-1,133.0</u>	<u>-1,599.5</u>	<u>3,105.8</u>	<u>4,777.1</u>	<u>6,939.2</u>	<u>597.0</u>
Assets	1,560.0	2,161.1	6,963.2	7,796.6	10,055.3	5,145.4
Liabilities	-2,693.0	-3,760.6	-3,857.4	-3,019.5	-3,116.1	-4,548.4
<u>Net domestic assets</u>	<u>15,233.6</u>	<u>19,394.8</u>	<u>19,915.8</u>	<u>22,917.4</u>	<u>26,085.1</u>	<u>33,095.9</u>
Net claims on the public sector	5,036.8	5,765.7	3,403.6	742.5	-1,011.5	4,012.1
Central Government (net)	1,115.9	970.3	-699.9	-2,682.4	-3,504.1	-211.2
Claims	1,847.5	1,992.2	2,175.4	2,187.6	1,081.3	1,787.9
Deposits	-731.6	-1,021.9	-2,875.3	-4,870.0	-4,585.4	-1,999.1
Other central government (net)	--	--	-536.9	-1,078.8	-1,609.0	-2,103.4
State and local government (net)	4.0	-39.8	-15.8	-30.7	-22.4	-24.0
Rest of public sector	1,592.6	2,212.5	1,773.4	1,378.1	664.2	2,260.7
Operating losses of Central Bank	1,957.4	1,957.4	1,957.4	1,957.4	1,957.4	1,957.4
Payments of interest on external debt	366.9	665.3	925.4	1,198.9	1,502.4	2,132.6
Official capital and surplus	-532.6	-589.8	-718.3	-863.6	-972.4	-1,020.1
Credit to rest of financial system	670.9	994.1	1,324.9	1,524.8	1,655.2	1,662.7
Credit to private sector	6,858.0	8,943.7	11,126.2	15,806.4	19,441.7	22,166.1
Nonmonetary international organizations	86.0	155.9	180.5	224.9	224.9	224.9
Net unclassified assets	2,019.5	3,628.6	4,205.2	5,298.6	6,462.8	5,697.0
Net inter-bank float	1,095.1	496.6	393.7	183.8	284.4	353.1
<u>Revaluation account</u>	<u>7,626.3</u>	<u>15,054.6</u>	<u>18,577.6</u>	<u>17,969.3</u>	<u>17,705.9</u>	<u>16,031.3</u>
<u>Counterpart unrequited foreign exchange 4/</u>	<u>242.1</u>	<u>9.3</u>	<u>515.4</u>	<u>569.9</u>	<u>637.1</u>	<u>528.4</u>
Of which: Revaluation of gold	36.3	36.2	35.6	35.3	35.5	35.7
<u>Medium- and long-term foreign liabilities</u>	<u>8,318.6</u>	<u>15,667.1</u>	<u>17,019.3</u>	<u>15,046.4</u>	<u>15,083.6</u>	<u>10,242.9</u>
Refinancing with foreign commercial banks	4,477.0	7,922.1	8,841.6	8,841.6	8,841.6	6,690.8
Other	3,841.6	7,745.0	8,177.7	6,204.8	6,242.0	3,552.1
<u>Liabilities to the rest of the financial system</u>	<u>826.5</u>	<u>989.8</u>	<u>1,402.3</u>	<u>1,726.6</u>	<u>1,698.7</u>	<u>1,943.6</u>
<u>Liabilities to the private sector</u>	<u>12,339.8</u>	<u>16,183.7</u>	<u>22,662.2</u>	<u>28,320.9</u>	<u>33,310.8</u>	<u>37,009.3</u>
Currency in circulation	2,664.5	3,718.9	4,585.3	5,926.4	6,919.4	7,691.9
Demand deposits plus interest due on deposits	2,350.0	3,373.1	4,468.3	4,515.6	6,146.5	5,672.3
Time and savings deposits	4,183.2	5,817.1	8,824.5	12,281.7	16,048.5	18,353.5
Special deposits	455.2	262.7	82.7	94.4	72.9	197.0
Other liabilities (net)	1,458.3	1,286.1	1,926.1	2,761.1	1,436.3	1,411.9
Other liabilities	1,490.4	1,312.6	1,950.7	2,774.8	1,436.7	1,412.1
Arrears	-32.1	-26.5	-24.6	-13.7	-0.4	-0.2
Private capital and surplus	1,104.5	1,604.3	2,307.8	2,239.5	2,490.7	3,104.7
Stabilization bonds	124.1	121.5	467.5	502.2	196.5	578.0

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

1/ Foreign currency transactions converted at the following exchange rates (RD\$ per U.S. dollar): 1989 RD\$6.33; 1990 RD\$11.20; 1991, 1992, and 1993 RD\$12.5; 1994 RD\$12.87.

2/ Includes advances for the external debt service of the Central Government.

3/ Operating losses of the Central Bank not related to foreign interest payment 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 31. Dominican Republic: Summary Accounts of the Nonbank Financial Institutions

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>I. National Housing Bank</b>						
<u>Foreign assets</u>	<u>0.1</u>	<u>0.1</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>
<u>Domestic assets</u>	<u>332.7</u>	<u>405.7</u>	<u>615.5</u>	<u>764.6</u>	<u>790.5</u>	<u>820.5</u>
Liquid claims on banks	95.1	130.6	200.9	360.2	372.5	292.2
Deposits with savings and loan associations	56.5	56.9	57.1	68.2	128.5	175.3
Credit to savings and loan associations	102.9	102.0	163.8	171.9	137.4	120.0
Credit to private sector	58.0	97.8	221.9	283.6	262.8	273.9
Official capital and surplus	-71.1	-98.1	-129.4	-170.9	-159.0	-145.0
Other assets	91.3	116.5	101.2	51.6	48.3	104.1
<u>Medium- and long-term foreign liabilities</u>	<u>11.2</u>	<u>12.5</u>	<u>17.3</u>	<u>16.0</u>	<u>18.6</u>	<u>19.8</u>
<u>Liabilities to banking system</u>	<u>88.6</u>	<u>86.7</u>	<u>87.7</u>	<u>70.1</u>	<u>70.1</u>	<u>81.5</u>
<u>Liabilities to savings and loan associations</u>	<u>88.5</u>	<u>109.4</u>	<u>154.2</u>	<u>182.0</u>	<u>228.6</u>	<u>202.5</u>
Deposits	84.3	105.2	150.0	177.8	224.4	198.3
Mortgage bonds	--	--	--	--	--	--
Other liabilities	4.2	4.2	4.2	4.2	4.2	4.2
<u>Liabilities to private sector</u>	<u>144.5</u>	<u>197.2</u>	<u>356.7</u>	<u>497.0</u>	<u>473.7</u>	<u>517.3</u>
Mortgage bonds	136.3	180.8	313.5	463.7	447.9	496.0
Other liabilities	8.2	16.4	43.2	33.3	25.8	21.3
<b>II. Savings and Loan Associations</b>						
<u>Domestic assets</u>	<u>3,149.6</u>	<u>3,813.3</u>	<u>5,095.3</u>	<u>6,394.6</u>	<u>7,923.7</u>	<u>8,932.8</u>
Liquid claims on banks	616.7	612.6	962.8	1,486.0	2,190.6	2,206.9
Credit to the National Housing Bank	4.2	4.2	4.2	4.2	4.2	4.2
Deposits with the National Housing Bank	84.9	105.2	150.0	177.8	224.4	198.2
Credit to private sector	2,410.0	2,997.1	3,893.6	4,533.3	5,276.7	6,159.0
Other assets	33.8	94.2	84.7	193.3	227.8	364.5
<u>Liabilities to the National Housing Bank</u>	<u>158.0</u>	<u>152.7</u>	<u>175.7</u>	<u>238.6</u>	<u>266.4</u>	<u>264.6</u>
<u>Liabilities to private sector</u>	<u>2,991.6</u>	<u>3,660.6</u>	<u>4,919.6</u>	<u>6,156.0</u>	<u>7,657.3</u>	<u>8,668.2</u>
Savings deposits	1,292.0	1,459.4	1,882.6	2,290.0	2,595.6	2,638.4
Other liabilities	1,382.8	1,755.8	2,421.9	2,973.3	4,080.9	4,674.6
Private capital and surplus	316.8	445.4	615.1	892.7	980.8	1,355.2

Table 31. Dominican Republic: Summary Accounts of the Nonbank Financial Institutions (Concluded)

(In millions of Dominican pesos)

	1989	1990	1991	1992	1993	Prel. 1994
<b>III. Mortgage Banks</b>						
<u>Foreign assets</u>	<u>-0.1</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2.5</u>	<u>2.5</u>
<u>Domestic assets</u>	<u>2,035.1</u>	<u>2,289.1</u>	<u>2,307.5</u>	<u>2,298.6</u>	<u>1,312.2</u>	<u>1,185.1</u>
Liquid claims on banks	217.8	242.5	286.8	326.0	160.0	126.9
Credit to private sector	1,769.4	2,033.2	1,910.7	1,781.3	1,119.8	1,015.8
Other assets	47.9	13.4	110.0	191.3	32.4	42.4
<u>Liabilities to banking system</u>	<u>101.5</u>	<u>134.2</u>	<u>111.9</u>	<u>126.1</u>	<u>165.7</u>	<u>122.0</u>
<u>Liabilities to private sector</u>	<u>1,933.5</u>	<u>2,154.9</u>	<u>2,195.6</u>	<u>2,172.5</u>	<u>1,149.0</u>	<u>1,065.6</u>
Time and savings deposits	67.5	83.6	62.9	80.8	82.6	68.9
Mortgage bonds	1,290.9	1,443.9	1,431.5	1,476.0	765.6	862.6
Private capital and surplus	387.7	442.0	426.0	395.3	186.2	-14.2
Other liabilities	187.4	185.4	275.2	220.4	114.6	148.3
<b>IV. Private Development Banks</b>						
<u>Foreign assets</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.1</u>	<u>0.1</u>
<u>Domestic assets</u>	<u>1,405.8</u>	<u>1,796.8</u>	<u>2,368.5</u>	<u>3,033.5</u>	<u>3,336.7</u>	<u>3,262.3</u>
Liquid claims on banks	80.5	134.0	267.2	308.0	380.7	308.0
Credit to private sector	1,303.4	1,672.6	2,133.2	2,740.5	2,989.0	3,014.4
Other assets	21.9	-9.8	-31.9	-15.0	-33.0	-51.3
<u>Medium- and long-term foreign liabilities</u>	<u>0.2</u>	<u>0.1</u>	<u>--</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>
<u>Liabilities to banking system</u>	<u>530.6</u>	<u>826.8</u>	<u>917.7</u>	<u>1,114.6</u>	<u>1,315.6</u>	<u>1,289.2</u>
<u>Liabilities to private sector</u>	<u>875.0</u>	<u>969.9</u>	<u>1,450.8</u>	<u>1,918.1</u>	<u>2,020.4</u>	<u>1,972.4</u>
Bonds	470.1	559.7	843.1	1,207.7	1,045.5	1,078.7
Other liabilities	137.8	87.5	177.6	180.5	419.7	255.1
Private capital and surplus	267.1	322.7	430.1	529.9	555.2	638.6
<b>V. Consolidated Nonbank Financial Institutions</b>						
<u>Foreign assets</u>	<u>--</u>	<u>0.1</u>	<u>0.4</u>	<u>0.5</u>	<u>3.1</u>	<u>3.2</u>
<u>Domestic assets</u>	<u>6,676.7</u>	<u>8,042.8</u>	<u>10,056.9</u>	<u>12,070.7</u>	<u>12,868.1</u>	<u>13,733.6</u>
Liquid claims on banks	1,010.1	1,119.7	1,717.7	2,480.2	3,103.8	2,934.0
Credit to private sector	5,540.8	6,800.7	8,159.4	9,338.7	9,648.3	10,453.2
Official capital and surplus	-71.1	-98.1	-129.4	-170.9	-159.0	-145.0
Other assets	194.9	214.3	264.0	421.2	275.5	460.8
Net float	2.0	6.2	45.2	1.5	-0.5	30.6
<u>Medium- and long-term foreign liabilities</u>	<u>11.4</u>	<u>12.6</u>	<u>17.3</u>	<u>16.8</u>	<u>19.4</u>	<u>20.6</u>
<u>Liabilities to banking system</u>	<u>720.7</u>	<u>1,047.7</u>	<u>1,117.3</u>	<u>1,310.8</u>	<u>1,551.4</u>	<u>1,492.7</u>
<u>Liabilities to private sector</u>	<u>5,944.6</u>	<u>6,982.6</u>	<u>8,922.7</u>	<u>10,743.6</u>	<u>11,300.4</u>	<u>12,223.5</u>
Time and savings deposits	1,359.5	1,543.0	1,945.5	2,370.8	2,678.2	2,707.3
Bonds	1,897.3	2,184.4	2,588.1	3,147.4	2,259.0	2,437.3
Other liabilities	1,716.2	2,045.1	2,917.9	3,407.5	4,641.0	5,099.3
Private capital and surplus	971.6	1,210.1	1,471.2	1,817.9	1,722.2	1,979.6

Source: Central Bank of the Dominican Republic.

Table 32. Dominican Republic: Net International Reserves

(In millions of U.S. dollars)

	December 31					Prel.
	1989	1990	1991	1992	1993	1994
<b>Total</b>	<b>-178.8</b>	<b>-143.1</b>	<b>248.5</b>	<b>382.2</b>	<b>555.1</b>	<b>46.4</b>
<b>Central Bank</b>	<b>-273.6</b>	<b>-197.8</b>	<b>182.5</b>	<b>306.0</b>	<b>437.8</b>	<b>-31.8</b>
<b>Assets</b>	<b>122.8</b>	<b>68.7</b>	<b>426.2</b>	<b>489.7</b>	<b>645.7</b>	<b>259.1</b>
Gold	7.5	6.9	6.6	6.1	7.0	6.9
Sight deposits and currency	31.8	30.8	388.2	338.5	323.2	114.2
Time deposits	52.0	31.0	31.3	145.0	298.8	134.3
IDB Bonds	1.0	--	--	--	--	--
Items in transit	25.4	-- 1/	--	--	--	--
SDR holdings	5.1	--	0.1	0.1	16.7	3.7
<b>Liabilities</b>	<b>-396.4</b>	<b>-266.5</b>	<b>-243.7</b>	<b>-183.7</b>	<b>-207.9</b>	<b>-290.9</b>
Arrears	-30.9	-26.5	-24.6	-13.7	-0.4	-0.2
Multilateral credit agreements	-57.3	-0.7	-4.2	-3.3	-0.6	-0.6
Bilateral credit agreements	-65.3	-111.4	-81.3	--	--	--
Santo Domingo agreement	-11.8	-11.8	-11.8	-11.8	-5.4	-0.5
Use of IMF credit	-120.8	-73.2	-87.3	-123.1	-186.1	-189.6
Central Banks	-12.9	-12.9	-13.0	-13.0	-13.0	--
Foreign commercial banks	--	--	--	--	--	--
Central Bank of Venezuela	--	--	--	--	--	-16.0
Bank of Mexico, S.A.	--	--	--	--	--	--
Other 2/	-97.4	-30.0	-21.5	-18.8	-2.4	-84.2
<b>Commercial banks 3/</b>	<b>94.8</b>	<b>54.7</b>	<b>66.0</b>	<b>76.2</b>	<b>117.3</b>	<b>78.2</b>
<b>Assets</b>	<b>123.6</b>	<b>124.3</b>	<b>130.9</b>	<b>134.0</b>	<b>158.7</b>	<b>140.7</b>
<b>Liabilities</b>	<b>-28.8</b>	<b>-69.6</b>	<b>-64.9</b>	<b>-57.9</b>	<b>-41.4</b>	<b>-62.5</b>

Source: Central Bank of the Dominican Republic.

1/ Reclassified to sight deposits in 1990.

2/ Includes obligations to BLADEX and special deposits for the acquisition of foreign exchange.

3/ Includes the Reserves Bank.

Table 33. Dominican Republic: Stocks of Commercial Bank Credit to the Private Sector by Economic Activity 1/

	1989	1990	1991	1992	1993	Pre1. 1994
(In millions of Dominican pesos)						
<u>Total</u>	<u>6,858.0</u>	<u>8,943.7</u>	<u>11,126.2</u>	<u>15,806.4</u>	<u>19,441.7</u>	<u>22,166.1</u>
<u>Productive sectors</u>	<u>3,684.0</u>	<u>4,435.0</u>	<u>5,598.0</u>	<u>7,314.0</u>	<u>6,988.0</u>	<u>7,299.0</u>
Agriculture	838.0	955.0	1,315.0	2,713.0	2,244.0	2,244.0
Manufacturing	2,110.0	2,648.0	3,400.0	3,741.0	3,771.0	3,990.0
Construction	727.0	824.0	871.0	854.0	971.0	1,049.0
Service industries	9.0	8.0	12.0	6.0	2.0	16.0
<u>Other</u>	<u>3,174.0</u>	<u>4,508.7</u>	<u>5,528.2</u>	<u>8,492.4</u>	<u>12,453.7</u>	<u>14,867.1</u>
Trade	1,290.0	1,686.0	2,243.0	4,313.0	6,091.0	7,070.0
Installment credit	768.0	1,274.0	1,774.0	2,670.0	3,883.0	4,341.0
Miscellaneous 2/	1,116.0	1,548.7	1,511.2	1,509.4	2,479.7	3,456.1
(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>53.7</u>	<u>49.6</u>	<u>50.3</u>	<u>46.3</u>	<u>35.9</u>	<u>32.9</u>
Agriculture	12.2	10.7	11.8	17.2	11.5	10.1
Manufacturing	30.8	29.6	30.6	23.7	19.4	18.0
Construction	10.6	9.2	7.8	5.4	5.0	4.7
Service industries	0.1	0.1	0.1	--	--	0.1
<u>Other</u>	<u>46.3</u>	<u>50.4</u>	<u>49.7</u>	<u>53.7</u>	<u>64.1</u>	<u>67.1</u>
Trade	18.8	18.9	20.2	27.3	31.3	31.9
Installment credit	11.2	14.2	15.9	16.9	20.0	19.6
Miscellaneous 2/	16.3	17.3	13.6	9.5	12.8	15.6

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

(In millions of Dominican pesos)

	Liabilities Subject to Reserves				Foreign Exchange Claims <u>2/</u>	Total	Required Reserves			
	Demand Deposits	Time and Savings Deposits	Financial Certi- ficates	Subtotal			Reserves on Deposits <u>3/</u>	Deductions <u>4/</u>	Foreign Exchange Claims	Total
<u>December 1989</u>	<u>3,399.1</u>	<u>2,498.3</u>	<u>1,445.0</u>	<u>7,342.4</u>	<u>791.8</u>	<u>8,134.2</u>	<u>1,944.0</u>	<u>-60.8</u>	<u>791.8</u>	<u>2,675.0</u>
Reserves Bank <u>5/</u>	1,259.3	468.1	243.4	1,970.8	94.2	2,065.0	247.7		94.2	341.9
Private banks	2,139.8	2,030.2	1,201.6	5,371.6	697.6	6,069.2	1,696.3	-60.8	697.6	2,333.1
<u>December 1990</u>	<u>5,258.4</u>	<u>2,763.9</u>	<u>2,497.9</u>	<u>10,520.2</u>	<u>429.5</u>	<u>10,949.7</u>	<u>3,432.1</u>	<u>-36.5</u>	<u>205.1</u>	<u>3,600.7</u>
Reserves Bank <u>5/</u>	2,312.4	720.4	430.3	3,463.1	186.0	3,649.1	1,227.1		80.6	1,307.7
Private banks	2,946.0	2,043.5	2,067.6	7,057.1	243.5	7,300.6	2,205.0	-36.5	124.5	2,293.0
<u>December 1991 <u>6/</u></u>	<u>6,337.8</u>	<u>3,320.7</u>	<u>4,609.5</u>	<u>14,268.0</u>	<u>132.3</u>	<u>14,400.3</u>	<u>4,453.2</u>	<u>-66.0</u>	<u>53.7</u>	<u>4,440.9</u>
Reserves Bank <u>5/</u>	2,122.0	1,037.3	747.1	3,906.4	54.8	3,961.2	1,309.4	-30.0	22.7	1,302.1
Private banks	4,215.8	2,283.4	3,862.4	10,361.6	77.5	10,439.1	3,143.8	-36.0	31.0	3,138.8
<u>December 1992</u>	<u>8,396.7</u>	<u>4,753.9</u>	<u>6,791.7</u>	<u>19,942.3</u>	<u>--</u>	<u>19,942.3</u>	<u>3,988.5</u>	<u>--</u>	<u>--</u>	<u>3,988.5</u>
Reserves Bank <u>5/</u>	3,968.6	1,268.1	1,022.8	6,259.5		6,259.5	1,251.9			1,251.9
Private banks	4,428.1	3,485.8	5,768.9	13,682.8		13,682.8	2,736.6			2,736.6
<u>June 1993</u>	<u>9,751.3</u>	<u>5,555.9</u>	<u>8,961.4</u>	<u>24,268.6</u>	<u>--</u>	<u>24,268.6</u>	<u>4,853.7</u>	<u>--</u>	<u>--</u>	<u>4,853.7</u>
Reserves Bank <u>5/</u>	3,825.1	1,418.5	1,630.8	6,874.4		6,874.4	1,374.9			1,374.9
Private banks	5,926.2	4,137.4	7,330.6	17,394.2		17,394.2	3,478.8			3,478.8
<u>December 1993</u>	<u>10,805.9</u>	<u>6,128.2</u>	<u>7,912.9</u>	<u>24,847.0</u>	<u>--</u>	<u>24,847.0</u>	<u>4,969.4</u>	<u>--</u>	<u>--</u>	<u>4,969.4</u>
Reserves Bank <u>5/</u>	3,689.9	1,560.5	1,702.8	6,953.2		6,953.2	1,390.6			1,390.6
Private banks	7,116.0	4,567.7	6,210.1	17,893.8		17,893.8	3,578.8			3,578.8
<u>June 1994</u>	<u>10,209.7</u>	<u>6,891.0</u>	<u>8,054.5</u>	<u>25,155.2</u>	<u>--</u>	<u>25,155.2</u>	<u>5,031.0</u>	<u>--</u>	<u>--</u>	<u>5,031.0</u>
Reserves Bank <u>5/</u>	2,400.1	1,832.4	2,008.7	6,241.2		6,241.2	1,248.2			1,248.2
Private banks	7,809.6	5,058.6	6,045.8	18,914.0		18,914.0	3,782.8			3,782.8
<u>December 1994</u>	<u>8,868.9</u>	<u>6,991.6</u>	<u>9,616.2</u>	<u>25,476.7</u>	<u>--</u>	<u>25,476.7</u>	<u>5,095.3</u>	<u>--</u>	<u>--</u>	<u>5,095.3</u>
Reserves Bank <u>5/</u>	1,541.4	1,604.8	2,371.3	5,517.5		5,517.5	1,103.5			1,103.5
Private banks	7,327.5	5,386.8	7,244.9	19,959.2		19,959.2	3,991.8			3,991.8

Table 34. Dominican Republic: Legal Reserves of the Commercial Banks (Concluded) 1/

(In millions of Dominican pesos)

	Actual Reserves					Excess (+) or Deficiency (-)	Ratio to Liabilities Subject to Reserves (in percent)		
	Cash and Deposits in Central Bank	Other	Subtotal	Special Deposits	Total		Cash	Actual Reserves	Legal Reserves
December 1989	1,371.0	457.2	1,828.2	115.8	1,944.0	-731.0	18.7	23.9	32.9
Reserves Bank	170.4		170.4	77.3	247.7	-94.2	8.6	12.0	16.6
Private banks	1,200.6	457.2	1,657.8	38.5	1,696.3	-636.8	22.4	27.9	38.4
December 1990	1,397.2	796.0	2,193.2	309.7	2,502.9	-1,097.8	13.3	22.9	32.9
Reserves Bank	444.2		444.2	115.0	559.2	-748.5	12.8	15.3	35.8
Private banks	953.0	796.0	1,749.0	194.7	1,943.7	-349.3	13.5	26.6	31.4
December 1991	3,933.5	1,203.8	5,137.3	108.7	5,246.0	805.1	27.6	36.4	30.8
Reserves Bank	1,167.7		1,167.7	70.8	1,238.5	-63.6	29.9	31.3	32.9
Private banks	2,765.8	1,203.8	3,969.6	37.9	4,007.5	868.7	26.7	38.4	30.1
December 1992	2,356.1	1,643.2	3,999.3	--	3,999.3	10.8	11.8	20.1	20.0
Reserves Bank	788.2	530.0	1,318.2	--	1,318.2	66.3	12.6	21.1	20.0
Private banks	1,567.9	1,113.2	2,681.1	--	2,681.1	-55.5	11.5	19.6	20.0
June 1993	4,172.6	2,139.9	6,312.5	--	6,312.5	1,458.8	17.2	26.0	20.0
Reserves Bank	1,363.9	676.2	2,040.1	--	2,040.1	665.2	19.8	29.7	20.0
Private banks	2,808.7	1,463.7	4,272.4	--	4,272.4	793.6	16.1	24.6	20.0
December 1993	3,589.4	2,525.0	6,114.4	--	6,114.4	1145.0	14.4	24.6	20.0
Reserves Bank	1,203.9	679.8	1,883.7	--	1,883.7	493.1	17.3	27.1	20.0
Private banks	2,385.5	1,845.2	4,230.7	--	4,230.7	651.9	13.3	23.6	20.0
June 1994	2,536.7	2,639.1	5,175.8	--	5,175.8	144.8	10.1	20.6	20.0
Reserves Bank	575.6	695.0	1,270.6	--	1,270.6	22.4	9.2	20.4	20.0
Private banks	1,961.1	1,944.1	3,905.2	--	3,905.2	122.4	10.4	20.6	20.0
December 1994	2,476.8	2,458.6	4,935.4	--	4,935.4	-159.9	9.7	19.4	20.0
Reserves Bank	321.0	626.3	947.3	--	947.3	-156.2	5.8	17.2	20.0
Private banks	2,155.8	1,832.3	3,988.1	--	3,988.1	-3.7	10.8	20.0	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/ On December 23, 1991 required reserves of commercial banks were unified at 20 percent.

Table 35. Dominican Republic: Reserve Requirements of  
Financial Institutions

(As percent of corresponding liability category)

	December 31, 1994 Required Reserves
<b>I. <u>Commercial Banks</u> 1/</b>	
Demand deposits	20
Saving deposits	20
Time deposits	20
Financial certificates	20
<b>II. <u>Mortgage Banks</u></b>	
Time deposits	20
Financial certificates	10
Participation certificates	10
<b>III. <u>Development Banks</u></b>	
Financial certificates	10
Participation certificates	10
Short-term bonds	20
Long-term bonds	10
<b>IV. <u>Savings and Loan Associations</u> 2/</b>	
Financial certificates	10
Saving deposits	10
Time deposits	10
<b>V. <u>Financieras</u></b>	
Investment certificates	10
<b>VI. <u>Banco Agricola</u></b>	
Financial certificates	10
Saving deposits	10
Time deposits	10

Source: Central Bank of the Dominican Republic.

1/ The Banco de los Trabajadores observes a 10 percent reserve requirement on savings deposits, time deposits, and special deposits.

2/ Excludes Banco de la Vivienda's deposits on Savings and Loans Associations.



Table 36. Dominican Republic: Selected Interest Rates on Lending by Financial Institutions <sup>1/</sup>

(In percent per annum)

	1988 <sup>2/</sup>		1989 <sup>3/</sup>		1990 <sup>4/</sup>	
	Basic Rate	Commis- sion	Basic Rate	Commis- sion	Basic Rate	Commis- sion
Commercial banks	12	12	12	18	12	31
Development banks						
Short term	12	16	12	22	12	31
To production, over two years	12	12	12	18	12	31
Mortgage banks	12	12-16 <sup>5/</sup>	12	18-22 <sup>5/</sup>	12	31
Savings and loans associations	12	12-16 <sup>5/</sup>	12	18-22 <sup>5/</sup>	12	31
Financieras	12 <sup>6/</sup>	5 <sup>7/</sup>	12	5 <sup>8/</sup>	12	31
Central Bank						
Rediscounts	12	6	12	6-12 <sup>9/</sup>	1	24-18 <sup>9/</sup>
FIDE	12	6	12			31

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> In January 1991, the Monetary Board deregulated lending rates.

<sup>2/</sup> Effective September 1988.

<sup>3/</sup> Effective August 1989.

<sup>4/</sup> Effective October 1990.

<sup>5/</sup> Variation by borrowing sector and maturity.

<sup>6/</sup> Plus 4.5 percent monthly commission.

<sup>7/</sup> One-time fee.

<sup>8/</sup> Plus 1.5 percent monthly commission.

<sup>9/</sup> Lower rate applies to renewals.

Table 37. Dominican Republic: Selected Interest Rates on Liabilities of Financial Institutions 1/

(In percent per annum)

	1988	1989	1990
<u>Commercial banks</u>			
Demand deposits	--	--	--
Savings deposits	5.0	5.0	10.5
Time deposits (less than 180 days)	7.5	7.5	12.5
Time deposits (more than 180 days)	9.5	9.5	14.5
Certificates of deposits <u>2/</u>	9.5-18.0	12.0-24.0	18.0-36.0
<u>Development banks</u>			
Certificates of deposits <u>2/</u>	9.5-18.0	12.0-24.0	18.0-36.0
<u>Mortgage banks</u>			
Certificates of deposits <u>2/</u>	9.5-18.0	12.0-24.0	18.0-36.0
<u>Savings and loans associations</u>			
Savings deposits	6.0	6.0	10.5
Time deposits			
30-180 days	8.0	8.0	12.5
Over 180 days	10.0	10.0	14.5
Certificates of deposits <u>1/</u>	9.5-18.0	12.0-24.0	36.0
<u>Financieras</u>			
Administered funds and investment certificates	20.0	24.0	36.0
<u>Central Bank</u>			
Participation certificates	24-26	26	30-36
<u>Memorandum items</u>			
Inflation rate (average)	43.9	40.7	50.5
Inflation rate (end of period)	55.8	34.6	79.9
Free market exchange rate depreciation <u>3/</u>	23.8	23.1	52.2
U.S. treasury bill rate	6.7	8.1	7.5
Ex-post peso rate of return on U.S. treasury bills	32.0	33.1	63.6

Sources: Central Bank of the Dominican Republic; and International Financial Statistics.

1/ In January 1991, the Monetary Board deregulated deposit rates.

2/ Negotiable within given ranges prior to 1990.

3/ In terms of pesos per U.S. dollar, on an end-of-year basis.

Table 38. Dominican Republic: Interest Rates of Commercial Banks <sup>1/</sup>

	Mar.	June	Sept.	Dec.
<u>1991</u>				
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 <sup>2/</sup>				
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
<u>1992</u>				
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 <sup>2/</sup>				
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	...
<u>1993</u>				
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 <sup>2/</sup>				
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	...	...
<u>1994</u>				
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 <sup>2/</sup>				
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	...	...

Source: Central Bank of the Dominican Republic.

<sup>1/</sup> Monthly weighted average rates; starting in January 1991, interest rates are freely negotiable.

<sup>2/</sup> Rates paid on certificates of deposit.

Table 39. Dominican Republic: Summary Balance of Payments

	1989	1990	1991	1992	1993	Prel. 1994
(In millions of U.S. dollars, unless otherwise indicated)						
<b>Current account</b>	<b>-317.5</b>	<b>-305.5</b>	<b>-246.1</b>	<b>-680.5</b>	<b>-193.4</b>	<b>-134.6</b>
Trade balance	-1,039.4	-1,058.1	-1,070.5	-1,612.5	-1,608.0	-1,678.6
Exports, f.o.b.	924.4	734.7	658.3	562.1	511.0	608.2
Imports, f.o.b.	-1,963.8	-1,792.8	-1,728.8	-2,174.6	-2,119.0	-2,286.8
Net services	337.6	382.1	451.2	508.6	988.9	1,073.7
Credits	1,148.1	1,183.3	1,285.9	1,403.3	1,752.6	1,878.0
Of which: tourism	706.7	726.1	755.6	841.0	1,070.4	1,147.5
Of which: free trade zones	191.3	196.1	249.9	305.7	401.0	456.5
Debits	-810.5	-801.3	-834.7	-894.7	-763.7	-804.3
Of which: interest	-295.7	-310.9	-295.4	-245.7	-199.7	-164.6
Net transfers	384.3	370.6	373.3	423.3	425.7	470.3
Private	300.5	314.9	329.5	346.6	361.8	421.3
Official	83.8	55.8	43.8	76.7	63.9	49.0
<b>Capital account</b>	<b>-134.5</b>	<b>-202.1</b>	<b>315.0</b>	<b>591.1</b>	<b>217.5</b>	<b>-218.2</b>
Public sector	-15.5	-302.2	-133.7	-123.8	-66.9	-86.0
Medium and long term	-40.9	-291.1	-133.4	-123.8	-92.4	-84.2
Short term	25.3	-11.1	-0.3	--	25.5	-1.9
Private sector	-197.9	60.0	460.0	725.1	325.5	-171.7
Direct investment	110.0	132.8	145.0	179.0	182.8	190.1
Other (including errors and omissions)	-307.9	-72.8	315.0	546.1	142.7	-361.8
Commercial bank (net external assets)	78.9	40.1	-11.3	-10.2	-41.1	39.5
<b>Overall balance</b>	<b>-451.8</b>	<b>-507.3</b>	<b>68.9</b>	<b>-89.4</b>	<b>24.0</b>	<b>-352.8</b>
<b>Financing</b>	<b>451.8</b>	<b>507.3</b>	<b>-68.9</b>	<b>89.4</b>	<b>-24.0</b>	<b>352.8</b>
Net foreign assets	112.7	-76.0	-380.3	-123.6	-131.9	469.6
Gross reserves	85.7	54.1	-357.5	-63.5	-156.0	386.6
Liabilities	27.0	-130.1	-22.8	-60.0	24.1	83.0
Use of Fund credit (net)	-98.0	-76.8	14.3	35.6	72.9	-2.0
Reserve arrears	3.2	111.3	-31.9	-92.2	-21.1	-13.4
Of which: IMF	...	...	-26.1	...	...	...
Other liabilities	121.8	-164.6	-5.2	-3.4	-27.7	98.4
Arrears (reduction -) 1/	273.5	520.2	-663.0	-29.0	-3.3	55.2
Debt refinancing	65.6	63.1	974.4	242.0	111.2	--
Debt buyback 2/	...	...	...	...	...	-172.0
<b>Memorandum items</b>						
Nominal GDF (US\$)	6,739.7	7,676.6	8,005.6	8,989.5	9,645.7	10,872.5
Current account/GDP	-4.7	-4.0	-3.1	-7.6	-2.0	-1.2
Trade balance/GDP	-15.4	-13.8	-13.4	-17.9	-16.7	-15.4
Gross official reserves	122.8	68.7	426.2	489.7	645.7	259.1
(in months of imports)	0.8	0.5	3.0	2.7	3.7	1.4
Stock of arrears 3/	736.4	1,493.5	779.1	651.0	1,256.0	217.3
Total stock of debt (end of period)	4,066.8	4,498.7	4,611.3	4,412.8	4,558.9	3,918.3
(Percentage change)						
Export volume	-3.8	-7.5	-5.3	-4.7	-3.5	-5.5
Import volume	15.3	-8.6	-1.1	21.9	--	2.6
Terms of trade	2.0	-14.0	-3.0	-13.2	-3.4	19.8
Import value	22.1	-8.7	-3.6	25.8	-2.6	7.9

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

1/ On all external debt, including short term.

2/ Includes payments of US\$172.3 million for interest and principal collateral and debt buyback in 1994.

3/ 1993 and 1994 stocks of arrears reflect commercial banks' revised calculations of interest past due.

Table 40. Dominican Republic: Balance of Payments

(In millions of U.S. dollars)

	1990			1991			1992			1993			Prel. 1994		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Current account</b>	<b>2,288.8</b>	<b>-2,594.1</b>	<b>-305.5</b>	<b>2,317.5</b>	<b>-2,563.5</b>	<b>-246.1</b>	<b>2,388.7</b>	<b>-3,069.2</b>	<b>-680.5</b>	<b>2,689.3</b>	<b>2,882.7</b>	<b>-193.4</b>	<b>2,956.5</b>	<b>-3,091.1</b>	<b>-134.6</b>
Merchandise and services	1,918.2	-2,594.1	-675.8	1,944.2	-2,563.5	-619.3	1,965.4	-3,069.2	-1,103.8	2,263.6	2,882.7	-619.1	2,486.2	-3,091.1	1,003.7
Merchandise, f.o.b.	734.7	-1,792.8	-1,058.1	658.3	-1,728.8	-1,070.5	562.1	-2,174.6	-1,612.5	511.0	2,119.0	-1,608.0	608.2	-2,286.8	-1,678.6
Services	1,183.5	-801.3	382.1	1,285.9	-834.7	451.2	1,403.3	-894.7	508.6	1,752.6	-763.7	988.9	1,878.0	-804.3	1,073.7
Freight and insurance	20.4	-176.7	-156.3	18.2	-175.4	-157.2	15.7	-231.8	-216.1	14.3	-218.0	-203.7	17.8	-246.2	264.0
Other transport	42.7	-15.0	27.7	53.5	-20.3	33.2	55.4	-20.8	34.6	71.4	-22.8	48.6	73.4	-26.1	99.5
Tourism	726.1	-144.0	582.1	755.6	-153.6	602.0	841.0	-158.8	682.2	1,070.4	-144.2	926.2	1,147.5	-152.4	1,299.9
Investment income	86.3	-360.9	-274.6	87.2	-355.4	-268.2	54.7	-339.6	-284.9	53.3	-239.7	-186.4	57.3	-214.6	271.9
Government, n.i.e.	11.0	-5.3	5.7	11.5	-5.0	6.5	12.0	-8.9	3.1	12.7	-9.0	3.7	13.4	-9.5	22.9
Free trade zones	196.1	--	196.1	249.9	--	249.9	305.7	--	305.7	401.0	--	401.0	456.5	--	456.5
Other services	100.9	-99.4	1.5	110.0	-125.0	-15.0	118.8	-134.7	-15.9	129.5	-130.0	-0.5	112.1	-155.5	267.6
Transfers	370.6	--	370.6	373.3	--	373.3	423.3	--	423.3	425.7	--	425.7	470.3	--	470.3
Private	314.9	--	314.9	329.5	--	329.5	346.6	--	346.6	361.8	--	361.8	421.3	--	421.3
Official	55.8	--	55.8	43.8	--	43.8	76.7	--	76.7	63.9	--	63.9	49.0	--	49.0
<b>Capital account</b>	<b>274.1</b>	<b>-516.3</b>	<b>-202.1</b>	<b>612.2</b>	<b>-285.9</b>	<b>315.0</b>	<b>835.9</b>	<b>-234.6</b>	<b>591.1</b>	<b>501.0</b>	<b>-232.4</b>	<b>217.5</b>	<b>338.2</b>	<b>-590.3</b>	<b>-218.2</b>
Public sector <sup>1/</sup>	141.3	-443.5	-302.2	152.2	-285.9	-133.7	110.8	-234.6	-123.8	175.5	-232.4	-66.9	148.1	-234.1	-86.0
Medium and long term	141.3	-432.4	-291.1	152.2	-285.6	-133.4	110.8	-234.6	-123.8	140.0	-232.4	-92.4	148.1	-232.2	-84.1
Nonfinancial public sector	80.3	-172.6	-92.3	86.1	-213.4	-127.3	69.6	-161.5	-91.9	114.7	-158.7	-44.0	121.1	-182.9	-61.7
Central Bank	61.0	-259.8	-198.8	66.1	-72.2	-6.1	41.2	-73.1	-31.9	25.3	-73.7	-48.4	26.9	-49.3	-22.4
Short term	--	-11.1	-11.1	--	-0.3	-0.3	--	--	--	25.5	--	25.5	--	-1.9	-1.9
Private sector	132.8	-72.8	60.0	460.0	--	460.0	725.1	--	725.1	325.5	--	325.5	190.1	-361.8	-171.7
Direct investment	132.8	--	132.8	145.0	--	145.0	179.0	--	179.0	182.8	--	182.8	190.1	--	190.1
Other (including errors and omissions)	--	-72.8	-72.8	315.0	--	315.0	546.1	--	546.1	142.7	--	142.7	--	-361.8	-361.8
Commercial banks	...	...	40.1	...	...	-11.3	...	...	-10.2	...	...	-41.1	...	...	39.5
<b>Overall balance</b>	<b>...</b>	<b>...</b>	<b>-507.3</b>	<b>...</b>	<b>...</b>	<b>68.9</b>	<b>...</b>	<b>...</b>	<b>-89.4</b>	<b>...</b>	<b>...</b>	<b>24.0</b>	<b>...</b>	<b>...</b>	<b>-352.8</b>
<b>Financing</b>	<b>...</b>	<b>...</b>	<b>507.3</b>	<b>...</b>	<b>...</b>	<b>-68.9</b>	<b>...</b>	<b>...</b>	<b>89.4</b>	<b>...</b>	<b>...</b>	<b>-24.0</b>	<b>...</b>	<b>...</b>	<b>352.8</b>
Net foreign assets	...	...	-76.0	...	...	-380.3	...	...	-123.6	...	...	-131.9	...	...	469.6
Gross reserves	...	...	54.1	...	...	-357.5	...	...	-63.5	...	...	-156.0	...	...	386.6
Liabilities	...	...	-130.1	...	...	-22.8	...	...	-60.0	...	...	24.1	...	...	83.0
Use of Fund credit (net)	...	...	-76.8	...	...	14.3	...	...	35.6	...	...	72.9	...	...	-2.0
Reserve arrears	...	...	111.3	...	...	-31.9	...	...	-92.2	...	...	-21.1	...	...	-13.4
Of which: IMF	...	...	--	...	...	-26.1	...	...	--	...	...	--	...	...	--
Other liabilities	...	...	-164.6	...	...	-5.2	...	...	-3.4	...	...	-27.7	...	...	98.4
Arrears (reduction -) <sup>2/</sup>	...	...	520.2	...	...	-663.0	...	...	-29.0	...	...	-3.3	...	...	55.2
Debt restructuring	...	...	63.1	...	...	974.4	...	...	242.0	...	...	111.2	...	...	...
Debt buyback	...	...	--	...	...	--	...	...	--	...	...	--	...	...	-172.0

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

<sup>1/</sup> In 1991, includes US\$52.9 million repurchase of debt from Mexico.<sup>2/</sup> On all external debt, including short term.

Table 41. Dominican Republic: Exports by Principal Commodity Group

	1989	1990	1991	1992	1993	Prel. 1994
(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)						
<u>Total exports, f.o.b.</u>	<u>924.4</u>	<u>734.7</u>	<u>658.3</u>	<u>562.1</u>	<u>511.0</u>	<u>608.2</u>
<u>Major agricultural exports</u>	<u>319.1</u>	<u>292.2</u>	<u>264.5</u>	<u>221.1</u>	<u>229.8</u>	<u>251.7</u>
Raw sugar						
Volume (U.S. quota)	215.3	261.0	252.7	225.0	211.4	309.6
Unit value (\$/100 lbs.)	18.5	20.3	20.6	19.3	19.5	19.9
Value	87.8	117.0	114.9	96.1	91.2	106.6
Volume (free market)	275.2	93.9	66.2	95.8	108.5	8.4
Unit value (\$/100 lbs.)	11.4	12.4	11.9	8.9	8.6	10.4
Value	69.3	25.7	17.4	18.8	20.5	2.5
Total volume (metric tons)	490.5	354.9	318.9	320.8	319.9	318.0
Total value	157.1	142.7	132.3	114.9	111.7	109.1
Refined sugar and by-products	36.0	34.9	34.8	28.1	31.4	27.6
Unprocessed coffee						
Volume	32.4	31.9	28.2	21.5	20.6	20.0
Unit value (\$/100 lbs.)	89.3	66.2	69.6	52.3	58.3	127.4
Value	63.8	46.6	43.3	24.8	26.5	52.2
Processed coffee	0.1	0.1	0.2	1.0	0.2	0.4
Raw cocoa						
Volume	40.6	45.8	40.6	43.5	45.0	50.7
Unit value (\$/100 lbs.)	48.0	40.8	35.0	33.3	33.0	41.5
Value	43.0	41.3	31.3	32.0	32.8	41.0
Processed cocoa	4.9	4.8	3.5	3.2	3.3	3.8
Tobacco leaf						
Volume	8.2	15.1	10.8	9.3	12.5	7.1
Unit value (\$/100 lbs.)	58.7	48.7	57.4	55.0	54.4	55.3
Value	10.6	16.2	13.7	11.3	15.0	11.6
Tobacco products	3.6	5.7	5.4	5.8	8.9	6.0
<u>Major mineral products</u>	<u>442.6</u>	<u>306.6</u>	<u>260.6</u>	<u>205.2</u>	<u>132.2</u>	<u>200.0</u>
Bauxite						
Volume	174.9	76.5	30.3	--	---	---
Unit value (\$/100 lbs.)	5.2	6.7	6.9	--	---	---
Value	0.9	0.5	0.2	--	--	--
Ferronickel						
Volume	81.9	78.1	75.0	70.3	65.3	81.9
Unit value (tons)	4,544.1	3,189.1	2,943.1	2,549.1	1,963.2	2,342.0
Value	371.9	249.1	220.8	179.2	128.2	181.1
Gold						
Volume (troy ounces)	172.1	140.0	101.6	70.6	11.8	44.9
Unit value	383.3	382.9	362.8	344.4	322.0	328.4
Value	66.0	53.6	36.8	24.3	3.8	17.4
Silver alloy						
Volume (troy ounces)	700.4	734.9	705.9	434.0	53.3	282.9
Unit value	5.4	4.7	3.9	3.9	3.8	3.9
Value	3.8	3.5	2.8	1.7	0.2	1.5
<u>Other exports</u>	<u>162.7</u>	<u>135.8</u>	<u>133.2</u>	<u>135.8</u>	<u>149.0</u>	<u>156.5</u>

Table 41. Dominican Republic: Exports by Principal Commodity Group (Concluded)

	1989	1990	1991	1992	1993	Prel. 1994
(Value as percent of total)						
<u>Agricultural exports</u>	<u>34.5</u>	<u>39.8</u>	<u>40.2</u>	<u>39.3</u>	<u>45.0</u>	<u>41.4</u>
Sugar	17.0	19.4	20.1	20.4	21.9	17.9
U.S. quota	9.5	15.9	17.4	17.1	17.8	17.5
Free market	7.5	3.5	2.6	3.3	4.0	0.4
Refined sugar and by-products	3.9	4.7	5.3	5.0	6.1	4.5
Unprocessed coffee	6.9	6.3	6.6	4.4	5.2	8.6
Processed coffee	--	--	--	0.2	--	0.1
Raw cocoa	4.6	5.6	4.7	5.7	6.4	6.7
Processed cocoa	0.5	0.6	0.5	0.6	0.6	0.6
Tobacco leaf	1.1	2.2	2.1	2.0	2.9	1.9
Tobacco products	0.4	0.8	0.8	1.0	1.7	1.0
<u>Major mineral products</u>	<u>47.9</u>	<u>41.7</u>	<u>39.6</u>	<u>36.5</u>	<u>25.9</u>	<u>32.9</u>
Bauxite	0.1	0.1	--	--	--	--
Ferronickel	40.2	33.9	33.5	31.9	25.1	29.8
Gold alloy	7.1	7.3	5.6	4.3	0.7	2.9
Silver alloy	0.4	0.5	0.4	0.3	--	0.2
<u>Other exports</u>	<u>17.6</u>	<u>18.5</u>	<u>20.2</u>	<u>24.2</u>	<u>29.2</u>	<u>25.7</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>-1.0</u>	<u>-8.4</u>	<u>-9.5</u>	<u>-16.4</u>	<u>3.9</u>	<u>9.5</u>
Sugar						
U.S. quota	112.0	33.2	-1.7	-16.4	-5.1	16.9
Free market	-15.3	-62.9	-32.4	8.0	9.0	-87.8
Refined sugar and by-products	-6.4	-3.3	-0.1	-19.2	11.7	-12.1
Unprocessed coffee	-4.0	-27.1	-7.0	-42.7	6.8	97.0
Processed coffee	35.1	128.0	50.0	484.8	-80.0	100.0
Raw cocoa	-32.8	-3.9	-24.2	2.2	2.5	25.0
Processed cocoa	-17.2	-2.2	-26.8	-8.6	3.1	15.1
Tobacco leaf	-42.5	53.0	-15.3	-17.5	32.7	-22.7
Tobacco products	-36.6	58.2	-6.1	7.4	53.4	-32.6
<u>Major mineral products</u>	<u>8.3</u>	<u>-30.7</u>	<u>-15.0</u>	<u>-21.3</u>	<u>-35.6</u>	<u>51.3</u>
Bauxite	-45.5	-43.3	-59.6	-100.0		
Ferronickel	20.4	-33.0	-11.3	-18.8	-28.5	41.3
Gold alloy	-25.9	-18.7	-31.3	-34.0	-84.4	357.9
Silver alloy	-58.2	-8.7	-19.0	-39.5	-88.2	650.0
<u>Other exports</u>	<u>2.4</u>	<u>-16.5</u>	<u>-1.9</u>	<u>1.9</u>	<u>9.7</u>	<u>5.0</u>
<u>Total</u>	<u>3.9</u>	<u>-20.5</u>	<u>-10.4</u>	<u>-14.6</u>	<u>-9.1</u>	<u>19.0</u>

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

Table 42. Dominican Republic: Exports by Destination

	1989	1990	1991	1992	1993
(In millions of U.S. dollars)					
<u>Total exports, f.o.b.</u>	<u>924.4</u>	<u>734.7</u>	<u>658.3</u>	<u>562.4</u>	<u>511.0</u>
<u>North America (excluding Mexico)</u>	<u>551.2</u>	<u>501.5</u>	<u>432.7</u>	<u>352.9</u>	<u>310.4</u>
United States (excluding Puerto Rico)	467.3	431.8	368.9	303.1	242.9
Puerto Rico	65.7	57.8	50.4	40.2	42.7
Canada	18.2	11.9	13.4	9.6	24.8
<u>LAFTA</u>	<u>13.1</u>	<u>13.8</u>	<u>10.8</u>	<u>7.9</u>	<u>9.7</u>
Venezuela	9.8	0.5	0.8	1.1	0.7
Other	3.3	13.3	10.0	6.8	9.0
<u>Other South American and Caribbean</u>	<u>24.4</u>	<u>14.9</u>	<u>16.0</u>	<u>22.4</u>	<u>37.6</u>
<u>European Community</u>	<u>200.7</u>	<u>143.7</u>	<u>141.9</u>	<u>120.3</u>	<u>112.6</u>
Belgium	10.8	13.5	20.5	17.4	28.9
France	0.4	1.2	1.1	1.1	1.6
The Netherlands	166.7	106.9	99.2	74.7	54.0
Spain	10.0	15.3	11.1	6.7	12.1
Other	12.7	6.2	10.0	20.3	16.0
<u>Other Europe</u>	<u>29.3</u>	<u>7.9</u>	<u>0.2</u>	<u>2.8</u>	<u>6.2</u>
<u>Asia</u>	<u>97.0</u>	<u>48.9</u>	<u>53.7</u>	<u>42.1</u>	<u>34.0</u>
Japan	54.2	14.9	24.0	16.8	13.7
Other	42.7	34.0	29.7	25.3	20.3
<u>Africa</u>	<u>8.7</u>	<u>3.7</u>	<u>2.6</u>	<u>14.0</u>	<u>0.5</u>
<u>Rest of the world</u>	<u>...</u>	<u>0.1</u>	<u>0.4</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>North America (excluding Mexico)</u>	<u>59.6</u>	<u>68.3</u>	<u>65.7</u>	<u>62.7</u>	<u>60.7</u>
United States (excluding Puerto Rico)	50.5	58.8	56.0	53.9	47.5
Puerto Rico	7.1	7.9	7.7	7.1	8.4
Canada	2.0	1.6	2.0	1.7	4.9
<u>LAFTA</u>	<u>1.4</u>	<u>1.9</u>	<u>1.6</u>	<u>1.4</u>	<u>1.9</u>
Venezuela	1.1	0.1	0.1	0.2	0.1
Other	0.3	1.8	1.5	1.2	1.8
<u>Other South American and Caribbean</u>	<u>2.7</u>	<u>2.0</u>	<u>2.4</u>	<u>4.0</u>	<u>7.4</u>
<u>European Community</u>	<u>21.7</u>	<u>19.6</u>	<u>21.6</u>	<u>21.4</u>	<u>22.0</u>
Belgium	1.2	1.8	3.1	3.1	5.7
France	...	0.2	0.2	0.2	0.3
The Netherlands	18.0	14.6	15.1	13.3	10.6
Spain	1.1	2.2	1.7	1.2	2.4
Other	1.4	0.8	1.5	3.6	3.1
<u>Other Europe</u>	<u>3.2</u>	<u>1.1</u>	<u>--</u>	<u>0.5</u>	<u>1.2</u>
<u>Asia</u>	<u>10.5</u>	<u>6.7</u>	<u>8.2</u>	<u>7.5</u>	<u>6.7</u>
Japan	5.9	2.1	3.6	3.0	2.7
Other	4.6	4.6	4.5	4.5	4.0
<u>Africa</u>	<u>0.9</u>	<u>0.4</u>	<u>0.4</u>	<u>2.5</u>	<u>0.1</u>
<u>Rest of the world</u>	<u>...</u>	<u>...</u>	<u>0.1</u>	<u>--</u>	<u>--</u>

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



Table 43. Dominican Republic: Imports, f.o.b., 1989-94

	1989	1990	1991	1992	1993	Prel. 1994
<u>(In millions of U.S. dollars)</u>						
<u>Total imports</u>	<u>1,963.8</u>	<u>1,792.8</u>	<u>1,728.8</u>	<u>2,174.6</u>	<u>2,119.0</u>	<u>2,286.8</u>
Petroleum and derivatives	405.0	518.1	436.8	487.8	453.0	521.1
Volume (millions of barrels)	22.2	23.1	22.2	25.5	26.4	31.2
Price (\$/barrel)	18.3	22.4	19.7	19.1	17.2	16.7
Coal	22.0	5.0	11.7	13.0	10.3	4.1
INESPRE (rice and basic foodstuffs)	54.5	52.3	51.9	11.3	11.6	11.4
Other (includes Molinos Dominicanos)	1,482.3	1,217.4	1,228.4	1,662.5	1,644.1	1,750.2
<u>(As percentage of total)</u>						
<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	20.6	28.9	25.3	22.4	21.4	22.8
Coal	1.1	0.3	0.7	0.6	0.5	0.2
INESPRE	2.8	2.9	3.0	0.5	0.5	0.5
Other	75.5	67.9	71.1	76.5	77.6	76.5
<u>(Percentage change)</u>						
<u>Total imports</u>	<u>22.1</u>	<u>-8.7</u>	<u>-3.6</u>	<u>25.8</u>	<u>-2.6</u>	<u>7.9</u>
Petroleum and derivatives	21.7	27.9	-15.7	11.7	-7.1	15.0
Coal	136.6	-77.3	134.0	11.1	-20.8	-60.2
INESPRE	11.5	-4.0	-0.8	-78.2	2.7	-1.7
Other	21.8	-17.9	0.9	35.3	-1.1	6.5

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

Table 44. 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)

	1989	1990	1991	1992	1993	Prel. 1994
<u>Total</u>						
Value	405.0	518.1	436.8	487.8	453.0	521.1
Volume	22.2	23.1	22.2	25.5	26.4	31.2
Unit value	18.3	22.4	19.7	19.1	17.2	16.7
<u>Reconstituted crude petroleum</u>						
Value	225.3	214.3	243.5	237.1	226.1	229.1
Volume	13.1	11.4	13.7	13.8	14.9	15.6
Unit value	17.2	18.8	17.8	17.2	15.2	14.7
<u>Bunker fuel oil 1/</u>						
Value	30.5	40.7	17.6	21.2	11.0	32.2
Volume	2.1	2.4	1.5	1.9	1.1	2.6
Unit value	14.6	17.0	11.7	11.5	10.8	12.5
<u>Other derivatives 2/</u>						
Value	149.2	263.1	175.7	229.5	215.9	259.8
Volume	7.0	9.3	7.0	9.8	10.4	13.0
Unit value	21.3	28.3	25.1	23.4	20.8	19.9
<u>Memorandum item</u>						
Coal (value)	22.0	5.0	11.7	13.0	10.3	4.1

Source: Central Bank of the Dominican Republic.

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

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

Table 45. Dominican Republic: Public Sector External Debt by Creditor <sup>1/</sup>

(In millions of U.S. dollars)

	December 31					Prel. 1994
	1989	1990	1991	1992	1993	
<b>Total</b>	<b>4,066.8</b>	<b>4,498.7</b>	<b>4,611.3</b>	<b>4,426.1</b>	<b>4,558.9</b>	<b>3,918.3</b>
<b>Multilateral</b>	<b>1,026.7</b>	<b>1,079.7</b>	<b>1,093.3</b>	<b>1,106.0</b>	<b>1,171.4</b>	<b>1,228.5</b>
Of which: IBRD	202.2	246.3	253.9	260.7	258.6	278.8
IDB	645.7	699.8	695.3	667.6	673.2	707.5
IDA	20.5	20.3	19.7	19.3	18.7	18.0
IFAD	15.2	17.7	14.9	13.2	13.5	14.0
IFC	0.1	0.1	--	0.3	0.2	0.2
IMF	120.8	73.2	87.3	123.0	186.1	189.6
OPEC Fund	21.6	22.0	22.7	21.9	21.2	20.5
<b>Bilateral</b>	<b>2,045.3</b>	<b>2,301.1</b>	<b>2,287.8</b>	<b>2,027.8</b>	<b>2,010.4</b>	<b>1,929.2</b>
Paris Club creditors	1,410.2	1,664.3	1,779.8	1,768.1	1,730.3	1,698.0
Of which: Canada	2.1	2.2	2.2	1.4	1.2	1.1
France	21.6	26.0	30.6	31.5	32.7	43.1
Germany	68.1	88.9	91.9	87.5	74.9	78.1
Japan	185.2	229.9	265.3	248.6	244.8	252.8
Spain	252.1	299.6	320.7	328.6	300.6	284.5
United States	881.1	972.7	1,003.0	1,011.0	1,013.2	977.7
Other bilateral	635.1	636.8	508.0	259.7	280.1	231.2
Of which: Argentina	36.3	36.0	29.8	30.3	24.2	0.1
Brazil	24.2	19.8	10.7	11.2	--	--
Taiwan Province of China	5.3	6.1	6.6	7.2	7.7	8.2
Mexico	129.3	138.9	--	--	26.0	--
Venezuela	362.9	392.3	434.0	182.2	197.9	202.7
<b>Commercial banks</b>	<b>884.0</b>	<b>971.2</b>	<b>1,073.7</b>	<b>1,134.4</b>	<b>1,260.8</b>	<b>606.7</b>
<b>Suppliers and others</b>	<b>110.8</b>	<b>146.7</b>	<b>156.5</b>	<b>157.9</b>	<b>116.3</b>	<b>153.9</b>

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

<sup>1/</sup> Includes non-Fund reserve liabilities of the Central Bank. The data for 1989 include interest payments in arrears, but not late interest. The figures since 1990 include late interest.

Table 46. Dominican Republic: External Debt and Net International Reserve Liabilities

	December 31					Prel.
	1989	1990	1991	1992	1993	1994
<u>(In millions of U.S. dollars)</u>						
<u>Total external liabilities</u> 1/	<u>4,066.8</u>	<u>4,498.7</u>	<u>4,611.3</u>	<u>4,412.8</u>	<u>4,558.9</u>	<u>3,918.3</u>
External public and publicly guaranteed debt	3,670.4	4,232.2	4,367.7	4,229.1	4,351.0	3,627.4
Central bank reserve liabilities	396.4	266.5	243.6	183.7	207.9	290.9
<u>(In percent of GDP)</u>						
<u>Total external liabilities</u> 1/	<u>60.3</u>	<u>58.6</u>	<u>57.6</u>	<u>49.1</u>	<u>47.3</u>	<u>36.0</u>
External public and publicly guaranteed debt	54.4	55.1	54.5	47.0	45.1	33.4
Central bank reserve liabilities	5.9	3.5	3.1	2.0	2.2	2.7
<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 2/	29.4	39.0	27.5	21.9	18.2	14.3
(b) After rescheduling						
External public and publicly guaranteed debt	26.5	36.1	10.2	11.2	13.9	14.3
(c) Cash payments	14.7	10.6	14.5	12.5	14.0	12.3
<u>(In millions of U.S. dollars)</u>						
<u>Memorandum items</u>						
Repurchase from the IMF	87.8	82.9	19.9	14.5	10.1	8.0
IMF charges	18.9	13.2	8.6	8.9	9.6	11.3
GDP at market prices	6,739.7	7,676.6	8,005.6	8,989.5	9,645.7	10,872.5
Exports of goods and nonfactor ser- vices, plus net private transfers	2,266.0	2,146.9	2,186.5	2,257.3	2,572.1	2,850.8

Sources: Tables 44, 46, and 47; and Fund staff estimates.

1/ Excludes late interest on outstanding arrears in 1989.

2/ 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 47. Dominican Republic: Summary of External Debt <sup>1/</sup>

(In millions of U.S. dollars)

	1989	1990	1991	1992	1993	Prel. 1994
<u>Debt outstanding</u>	<u>3,670.4</u>	<u>4,232.2</u>	<u>4,367.8</u>	<u>4,229.1</u>	<u>4,351.0</u>	<u>3,627.4</u>
<u>Nonfinancial public sector</u>	<u>2,421.0</u>	<u>2,842.7</u>	<u>2,997.3</u>	<u>3,056.2</u>	<u>3,133.6</u>	<u>2,951.7</u>
<u>Financial public sector</u>	<u>1,222.6</u>	<u>1,364.5</u>	<u>1,343.8</u>	<u>1,125.6</u>	<u>1,182.4</u>	<u>636.6</u>
Central Bank	1,214.9	1,356.9	1,337.0	1,121.2	1,181.1	636.0
National Housing Bank	7.7	7.6	6.8	4.4	1.3	0.6
<u>Private sector, guaranteed</u>	<u>26.8</u>	<u>25.0</u>	<u>26.7</u>	<u>47.3</u>	<u>35.0</u>	<u>39.1</u>
<u>Net movements</u>	<u>154.1</u>	<u>561.8</u>	<u>135.6</u>	<u>-138.7</u>	<u>121.9</u>	<u>-723.6</u>
<u>Nonfinancial public sector</u>	<u>81.6</u>	<u>421.7</u>	<u>154.6</u>	<u>58.9</u>	<u>77.4</u>	<u>-181.9</u>
Medium and long term	56.3	432.8	154.9	58.9	51.9	-180.0
Disbursements	172.6	80.3	86.1	69.6	114.7	121.2
Amortizations	-145.4	-172.6	-213.4	-161.5	-158.7	-182.9
Adjustments <sup>2/</sup>	29.1	525.1	282.2	150.8	95.9	-118.3
Short term	25.3	-11.1	-0.3	--	25.5	-1.9
<u>Financial public sector</u>	<u>52.8</u>	<u>141.9</u>	<u>-20.7</u>	<u>-218.2</u>	<u>56.8</u>	<u>-545.8</u>
Central Bank	52.3	142.0	-19.9	-216.8	57.7	-545.7
Disbursements	69.4	61.0	66.1	41.2	25.3	26.9
Amortizations	-136.7	-259.0	-71.4	-71.7	-72.8	-49.2
Adjustments <sup>2/</sup>	119.6	340.0	-14.6	-186.3	105.2	-523.4
National Housing Bank	0.5	-0.1	-0.8	-1.4	-0.9	-0.1
Disbursements	--	--	--	--	--	--
Amortizations	-0.8	-0.8	-0.4	-1.4	-0.9	-0.1
Adjustments <sup>2/</sup>	1.3	0.7	-0.4	--	--	--
<u>Private sector, guaranteed</u>	<u>19.7</u>	<u>-1.8</u>	<u>1.7</u>	<u>20.6</u>	<u>-12.3</u>	<u>4.1</u>
Disbursements	20.0	--	2.0	1.1	3.3	4.2
Amortizations	-0.3	-0.3	-0.3	-1.4	-1.4	-1.3
Adjustments <sup>2/</sup>	--	-1.5	--	20.9	-14.2	1.2

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

<sup>1/</sup> Excludes late interest in 1989 and central bank reserve liabilities.

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

Table 48. Dominican Republic: External Payments Arrears

(In millions of U.S. dollars, end of period)

	December 31					1994		
	1989	1990	1991	1992	1993	Principal	Interest	Total
<u>Total arrears</u>	<u>736.4</u>	<u>1,479.0</u>	<u>779.1</u>	<u>627.2</u>	<u>1,257.0</u>	<u>85.0</u>	<u>132.3</u>	<u>217.3</u>
<u>Central Bank</u>								
Reserve liabilities	74.7	204.8	170.6	59.6	25.2	0.8	0.5	1.3
IMF	--	27.1	--	--	--	--	--	--
Other	74.7	177.7	170.6	59.6	25.2	0.8	0.5	1.3
<u>Other short term</u>	<u>3.6</u>	<u>4.6</u>	<u>4.7</u>	<u>--</u>	<u>0.3</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Medium- and long-term multilateral</u>	<u>19.6</u>	<u>43.2</u>	<u>20.0</u>	<u>19.9</u>	<u>19.9</u>	<u>14.9</u>	<u>5.2</u>	<u>20.1</u>
IDA	0.2	0.2	--	--	--	--	--	--
IADB	0.6	11.6	--	--	--	0.1	0.1	0.2
IBRD	2.4	11.4	--	--	--	--	--	--
IAIC	0.3	--	--	--	--	--	--	--
IFAD	1.1	2.1	--	--	--	--	--	--
OPEC Fund	15.0	17.9	20.0	19.9	19.9	14.8	5.1	19.9
<u>Bilaterals</u>	<u>521.8</u>	<u>952.0</u>	<u>168.9</u>	<u>9.5</u>	<u>93.7</u>	<u>31.2</u>	<u>75.9</u>	<u>107.1</u>
Paris Club	462.5	733.6	--	--	73.9	12.0	67.2	79.2
On previously rescheduled debt	203.9	308.1	--	--	40.9	--	54.5	54.5
On debt not previously rescheduled	258.6	425.5	--	--	33.0	12.0	12.7	24.7
Other	59.3	218.4	168.9	9.5	19.8	19.2	8.7	27.9
<u>Commercial banks</u>	<u>89.1</u>	<u>232.0</u>	<u>360.2</u>	<u>468.8</u>	<u>1,049.6</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Suppliers and others</u>	<u>27.6</u>	<u>42.4</u>	<u>54.7</u>	<u>69.4</u>	<u>68.3</u>	<u>38.1</u>	<u>50.7</u>	<u>88.8</u>

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

Table 49. Dominican Republic: Exchange Rates

(In Dominican pesos per U.S. dollar)

	Official Rate			Private Market 1/		Inter-Bank Market		Parallel Market
	Buy	Sell	2/Midpoint Rate	Buy	Sell	Buy	Sell	
<u>1990</u>								
January	6.33	6.35	6.34			8.15	8.51	8.33
February	6.33	6.35	6.34			8.52	8.83	8.67
March	6.33	6.35	6.34			9.38	9.69	9.53
April	7.01	7.23	7.12			9.78	10.51	10.14
May	7.30	7.60	7.45			10.07	10.62	10.34
June	7.30	7.60	7.45			10.45	10.89	10.67
July	9.55	9.85	9.70			10.49	10.80	10.64
August	10.20	10.50	10.35			10.86	11.22	11.04
September	11.07	11.37	11.22			11.87	12.25	12.06
October	11.20	11.50	11.35			13.12	13.63	13.37
November	11.20	11.50	11.35			12.35	13.14	12.74
December	11.20	11.50	11.35			12.80	13.42	13.11
<u>1991</u>								
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	12.83	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
<u>1992</u>								
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
<u>1993</u>								
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
<u>1994</u>								
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

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 50. 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>1989</u>						
I	63.2	33.3	189.9	16.9	536.3	542.9
II	70.0	35.1	199.2	16.9	587.4	576.1
III	72.0	36.4	197.8	16.6	627.1	621.2
IV	67.6	33.6	201.1	14.7	681.6	694.1
<u>1990</u>						
I	71.7	37.0	193.5	15.0	727.4	735.3
II	66.9	33.4	200.4	12.9	799.0	782.9
III	64.3	28.3	228.6	11.0	945.0	936.8
IV	65.1	23.5	276.5	9.1	1,188.5	1,211.1
<u>1991</u>						
I	65.8	22.4	294.1	8.2	1,313.1	1,325.1
II	69.1	23.3	296.3	8.2	1,354.2	1,329.2
III	69.4	23.9	290.2	8.3	1,364.4	1,352.9
IV	67.3	24.3	277.4	8.3	1,357.6	1,379.5
<u>1992</u>						
I	67.1	25.2	266.6	8.3	1,360.6	1,371.2
II	68.7	25.9	264.7	8.3	1,402.7	1,381.5
III	67.4	26.1	258.1	8.3	1,422.2	1,412.7
IV	68.7	27.7	247.8	8.3	1,423.5	1,442.1
<u>Monthly</u>						
<u>1993</u>						
January	70.4	28.8	244.6	8.3	1,447.0	1,471.0
February	71.0	29.2	243.0	8.3	1,460.2	1,469.5
March	70.8	29.5	240.1	8.3	1,465.0	1,460.7
April	70.0	29.5	237.4	8.3	1,471.1	1,454.9
May	70.3	29.9	235.2	8.3	1,481.6	1,459.2
June	70.7	30.4	232.1	8.3	1,485.3	1,469.5
July	71.7	31.2	229.8	8.3	1,494.0	1,476.8
August	71.0	31.6	224.6	8.3	1,485.3	1,476.8
September	70.3	31.9	220.3	8.3	1,482.3	1,485.7
October	70.5	32.6	216.4	8.3	1,482.9	1,493.1
November	71.1	33.3	213.4	8.3	1,488.9	1,497.6
December	70.5	33.9	208.0	8.3	1,478.8	1,502.1
<u>1994</u>						
January	71.1	34.6	205.4	8.3	1,489.3	1,512.6
February	71.9	35.0	205.3	8.3	1,520.2	1,529.1
March	72.7	35.5	204.8	8.3	1,549.4	1,544.9
April	74.6	36.2	204.6	8.3	1,578.5	1,562.8
May	74.6	36.7	203.3	8.3	1,599.5	1,578.9
June	74.5	37.3	200.0	8.3	1,606.1	1,593.1
July	73.3	37.1	197.5	8.3	1,612.0	1,596.0
August	73.2	37.0	197.6	8.3	1,621.8	1,614.4
September	71.4	36.0	198.5	8.2	1,633.2	1,636.0
October	70.9	35.5	199.7	8.1	1,648.5	1,655.5
November	71.5	35.6	200.8	8.1	1,663.9	1,669.6
December	73.2	35.9	203.9	8.1	1,695.1	1,717.1
(Percentage change)						
<u>1994</u>						
December 3/	3.8	5.9	-2.0	-2.4	14.6	14.3

Source: International Monetary Fund, Information Notice System.

1/ Increases mean appreciation.

2/ Using seasonally adjusted price indices.

3/ From end-1993.



Table 51. Dominican Republic: Selected Social Indicators of Development, 1987-92 <sup>1/</sup>

	Dominican Republic	Latin America and Caribbean
<u>Demographic</u>		
Area (sq. km.)	48,730	--
Population (thousands mid-1992)	7,321	453,294
Density (population per sq. kilometer)	147.7	21.7
Population annual growth rate (percent)	1.7	1.7
Urban	3.1	2.6
Crude birth rate (per thousand population)	27.4	27.0
Crude death rate (per thousand population)	6.2	6.9
Fertility rate (birth for woman)	3.0	3.0
<u>Labor force</u>		
Total labor force (thousands)	2,322	166,091
<u>Health</u>		
Infant mortality (per thousand live births)	41.0	44.0
Under 5 mortality rate	51.3	56.0
Life expectancy at birth (years)		
Overall	68.0	68.0
Female	72.4	73.6
Population per physician (persons)	1,765	936
Population per nurse (persons)	1,210	877
Immunized under 5 month (percent of group)		
Measles	69.0	78.9
DPT	47.0	73.8
Oral rehydration therapy under 5 (percent of cases)	31.0	62.0
Access to safe water (percent of population)	67.0	73.4
Urban	82.0	83.6
Rural	45.0	66.9
<u>Nutrition</u>		
Daily calorie supply (calories per person)	2,359	2,726
Daily protein supply (grams per person)	48	68
Prevalence of malnutrition under 5 (percent of age group)	12.5	...
<u>Education</u>		
Gross enrollment ratios (percent of school age group)		
Primary	95	106
Secondary	51	47
Pupil-student ratio (pupils per teachers)		
Primary	47	25
Secondary	37	...
Pupils reaching 4th grade (percent of cohort)	62	...
Illiteracy rate (percent of population over 15)	17	15
Newspaper circulation (per thousand of population)	33	99
<u>Women</u>		
Enrollment ratio (percent of school age group)		
Primary	96.0	---
Secondary	57.0	52.8
Illiteracy rate (percent of population over 15 +)	18.2	17.2
Labor force (percent of total)	16.0	27.0
Labor force participation rate (percent of total)	9.4	18.6

Source: World Bank Social Indicators of Development.

<sup>1/</sup> Most recent estimates.