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Djibouti—Statistical Annex

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INTERNATIONAL MONETARY FUND

DJIBOUTI

Statistical Annex

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Approved by the Middle Eastern Department

April 1, 1996

<u>Contents</u>	<u>Page</u>
Overview	iii
Tables	
<u>Real sector</u>	
1. Basic Data, 1991-1995	1
2. Gross Domestic Product by Sector of Origin at Current Prices, 1991-95	2
3. Gross Domestic Product by Sector of Origin at Current Prices, 1991-95, in percent of GDP	3
4. Supply and Use of Resources at Current Market Prices, 1991-95	4
5. Supply and Use of Resources at Current Market Prices, 1991-95, in percent of GDP	5
6. Agricultural Production by Species, 1989/90-1993/94	6
7. Annual Slaughter and Exports of Animals and Skins, 1990-94	7
8. Purchases and Sales of Fish by the Maritime Cooperative, 1990-94	8
9. Production and Consumption of Electricity, 1990-94	9
10. Production and Consumption of Running Water in Urban Areas, 1990-94	10
11. Transportation Activity, 1991-95	11
12. Telecommunications Traffic, 1990-94	12
13. Postal and Telecommunication Tariffs in Force at the Beginning of the Year, 1990-94	13
14. Tourism, 1990-94	14
15. Expatriate Consumer Price Index By Product Group, 1991-95	15
16. Demand for Employment and Registered Offers at the National Employment Service, 1990-94	16
17. Number of Government Employees, 1991-95	7
18. Employment and Wage Bill, 1991-95	8
19. Public Investment Program, 1992-94	9

<u>Contents</u>	<u>Page</u>
<u>Public Finance</u>	
20. Consolidated Financial Operations, 1991-95	20
21. Government Revenue, 1991-95	21
22. Government Revenue, 1991-95, in percent of GDP	22
23. Government Revenue, 1991-95, in percent of total revenue	23
24. Government Expenditure, 1991-95	24
25. Government Expenditure, 1991-95, in percent of GDP	25
26. Government Expenditure, 1991-95, in percent of total expenditure	26
27. Financing of Consolidated Fiscal Operations, 1991-95	27
28. Financing of Consolidated Fiscal Operations, 1991-95 in percent of total financing	28
29. Financing of Consolidated Fiscal Operations, 1991-95 in percent of GDP	29
<u>Monetary Sector</u>	
30. Factors Affecting Changes in Domestic Liquidity, 1991-95	30
31. Monetary Survey, 1991-95	31
32. Analytical Accounts of the Monetary Authorities, 1991-95	32
33. Analytical Accounts of the Commercial Banks, 1991-95	33
34. Analytical Accounts of the Development Bank of Djibouti, 1991-95	34
35. Structure of Interest Rates, 1991-95	35
<u>External Sector</u>	
36. Balance of Payments, 1991-95	36
37. Direction of Trade - Merchandise Imports and Exports, 1991-94	37
38. Domestically Consumed Imports Classified by Main Product Groups, 1991-95	38
39. External Debt, Debt Service Payments, and International Reserves, 1991-95	39
40. Exchange Rate Data, Period Averages, 1990-95	40
<u>Appendices</u>	
I. Summary of tax system	41
II. Public agencies and enterprises	49
III. Institutional aspects of monetary management	50
<u>Bibliography</u>	55

Overview

This document consists of two parts. First, it provides statistical information on the main economic sectors (real, fiscal, monetary, and external sectors). This information supplements the data contained in the staff report on the 1995 Article IV consultation report and request for a stand-by arrangement (EBS/96/53, March 29, 1996). Second, it also contains: (i) a summary of the tax system in Appendix I; (ii) a list of public agencies and enterprises in Appendix II; and (iii) a note on the "Institutional Aspects of Monetary management" in Appendix III.

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Table 1. Djibouti: Basic data, 1991–1995

	1991	1992	1993	1994	Prel. 1995
(Annual percentage changes)					
National income and prices					
GDP at current prices	7.3	3.1	0.3	3.4	1.6
GDP at constant prices	0.4	-0.2	-3.9	-2.9	-3.1
Consumer prices (annual average) 1/	6.8	3.4	4.4	6.5	4.9
Consolidated government financial operations 2/					
Revenue	1.6	7.5	5.7	7.7	-2.4
Grants	2.2	4.8	-28.8	-41.6	12.8
Current expenditure 3/	-1.5	34.2	1.0	-7.7	-7.7
Investment expenditure 3/	-25.3	4.3	-11.9	-30.0	25.4
Money and credit 4/					
Net foreign assets	5.8	-16.2	3.3	-2.6	-3.6
Net domestic assets	-4.5	10.0	-5.5	4.1	6.9
Claims on the Central Government (net)	-2.0	9.6	1.8	1.9	2.1
Claims on the private sector 5/	-2.0	-0.8	-3.8	1.1	8.0
Money and quasi money	1.3	-6.2	-2.2	1.5	3.3
External sector					
Exports, f.o.b. 6/	1.6	-25.7	33.9	-20.9	-40.6
Imports, f.o.b.	3.7	--	-1.5	-7.1	-13.6
Nominal effective exchange rate (period averages; depreciation -)	0.2	-4.5	3.0	-1.4	-8.7
(In percent of GDP)					
Gross investment 4/	14.4	19.5	17.9	11.7	12.0
Gross national savings	4.7	0.5	5.2	1.4	4.0
Government financial operations 5/					
Total revenue and grants	38.2	39.3	37.2	34.5	33.9
Revenue	26.0	26.9	28.4	29.6	28.4
Grants	12.2	12.4	8.8	5.0	5.5
Total expenditure	41.2	51.0	50.1	43.0	40.1
Current expenditure	32.0	41.7	41.9	37.4	34.0
Capital expenditure	9.2	9.3	8.2	5.6	6.1
Overall deficit, payment order basis, excluding grants	-15.2	-24.1	-21.8	-13.4	-11.7
Overall deficit, payment order basis, including grants	-3.0	-11.7	-13.0	-8.4	-6.2
Overall deficit, cash basis, excluding grants	-18.7	-23.7	-18.0	-11.1	-8.9
Overall deficit, cash basis, including grants	-6.4	-11.3	-9.2	-6.2	-3.4
External sector					
External current account					
Including official transfers	-4.6	-15.2	-6.6	-8.2	-2.5
Excluding official transfers	-24.4	-33.0	-25.0	-21.2	-17.9
Excluding official capital transfers	-9.6	-19.1	-12.7	-10.3	-8.0
(In millions of U.S. dollars, unless otherwise indicated)					
Overall balance	6.4	-16.7	-8.7	0.9	-24.4
Total external debt	175.6	211.6	248.9	277.7	267.1
(in percent of GDP)	38.5	45.0	52.8	57.0	54.0
Debt service (in percent of exports of locally produced goods and services)	5.0	6.4	5.1	6.1	7.4
Gross official foreign reserves (in number of months of imports of domestically consumed goods)	6.3	4.8	4.6	4.9	4.8
Exchange rate					
Djibouti francs per U.S. dollars, end of period	177.7	177.7	177.7	177.7	177.7

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

1/ For expatriates only.

2/ On a calendar year basis.

3/ Includes extrabudgetary outlays financed by external grants and loans.

4/ In relation to broad money stock at beginning of period.

5/ Includes public enterprises.

6/ Virtually all exports are re-exports.

Table 2. Djibouti: Gross Domestic Product by Sector of Origin
at Current Prices, 1991–95

	1991	1992	1993	1994	1995
<u>(In millions of Djibouti francs)</u>					
Primary sector	2,250	2,189	2,327	2,397	2,668
Secondary sector	13,474	15,346	15,193	14,768	15,512
Manufacturing	3,569	3,944	3,924	3,872	4,105
Construction and public works	3,817	4,275	4,318	4,189	4,440
Water and electricity	6,088	7,127	6,950	6,707	6,967
Tertiary sector	54,697	56,792	56,573	58,461	59,655
Commerce and tourism	13,591	13,469	12,688	12,865	13,637
Transport and communications	14,896	13,034	13,608	14,220	13,362
Banking and insurance ^{1/}	7,596	7,528	7,091	7,190	8,197
Public administration	15,273	19,838	20,135	20,997	20,600
Other services	3,341	2,923	3,052	3,189	3,857
GDP at factor cost	70,421	74,327	74,093	75,627	77,835
Net indirect taxes	10,549	9,174	9,672	10,970	10,159
GDP at market prices	80,970	83,501	83,765	86,597	87,994
<u>(Annual percentage change)</u>					
Primary sector	3.0	-2.7	6.3	3.0	11.3
Secondary sector	3.2	13.9	-1.0	-2.8	5.0
Manufacturing	2.5	10.5	-0.5	-1.3	6.0
Construction and public works	2.0	12.0	1.0	-3.0	6.0
Water and electricity	4.4	17.1	-2.5	-3.5	3.9
Tertiary sector	9.4	3.8	-0.4	3.3	2.0
Commerce and tourism	5.4	-0.9	-5.8	1.4	6.0
Transport and communications	23.0	-12.5	4.4	4.5	-6.0
Banking and insurance ^{1/}	5.4	-0.9	-5.8	1.4	14.0
Public administration	1.2	29.9	1.5	4.3	-1.9
Other services	23.0	-12.5	4.4	4.5	21.0
GDP at factor cost	7.9	5.5	-0.3	2.1	2.9
Net indirect taxes	3.0	-13.0	5.4	13.4	-7.4
GDP at market prices	7.3	3.1	0.3	3.4	1.6

Sources: Data provided by the Djibouti authorities and staff estimates.

^{1/} Net of imputed charge for banking services.

Table 3. Djibouti: Gross Domestic Product by Sector of Origin at Current Prices, 1991–95

(In percent of GDP)

	1991	1992	1993	1994	1995
Primary sector	2.8	2.6	2.8	2.8	3.0
Secondary sector	16.6	18.4	18.1	17.1	17.6
Manufacturing and handicrafts	4.4	4.7	4.7	4.5	4.7
Construction and public works	4.7	5.1	5.2	4.8	5.0
Water and electricity	7.5	8.5	8.3	7.7	7.9
Tertiary sector	67.6	68.0	67.5	67.5	67.8
Commerce and tourism	16.8	16.1	15.1	14.9	15.5
Transport and communications	18.4	15.6	16.2	16.4	15.2
Banking and insurance	9.4	9.0	8.5	8.3	9.3
Public administration	18.9	23.8	24.0	24.2	23.4
Other services	4.1	3.5	3.6	3.7	4.4
GDP at factor cost	87.0	89.0	88.5	87.3	88.5
Net indirect taxes	13.0	11.0	11.5	12.7	11.5
GDP at market prices	100.0	100.0	100.0	100.0	100.0

Sources: Data provided by the Djibouti authorities; the World Bank; and staff estimates.

Table 4. Djibouti: Supply and Use of Resources
at Current Market Prices, 1991 – 1995

(In millions of Djibouti francs)

	1991	1992	1993	1994	1995
Supply of resources	145,122	148,753	148,989	144,677	139,151
GDP at market prices	80,970	83,501	83,765	86,597	87,230
Imports of goods and nonfactor services	64,152	65,252	65,224	58,080	51,922
Use of resources	145,122	148,753	148,988	144,677	139,915
Total consumption	89,250	94,585	89,523	94,244	92,690
Private	63,337	60,405	54,382	61,622	62,581
Government	25,913	34,180	35,141	32,622	30,108
Gross investment	11,627	16,319	14,960	10,134	10,556
Private	4,153	8,522	8,095	5,326	5,181
Government	7,474	7,797	6,865	4,808	5,375
Exports of goods and nonfactor services	44,245	37,850	44,505	40,300	36,670
Memorandum items:					
Gross national savings	3,840	406	4,332	1,210	3,520
Resource gap	-19,907	-27,402	-20,719	-17,780	-15,251

Sources: Data provided by Djibouti authorities; the World Bank; and staff estimates.

Table 5. Djibouti: Supply and Use of Resources at Current Market Prices, 1991–95

(In percent of GDP)

	1991	1992	1993	1994	1995
Supply of resources	179.2	178.1	177.9	167.1	159.5
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and nonfactor services	79.2	78.1	77.9	67.1	59.5
Use of resources	179.2	178.1	177.9	167.1	160.4
Total consumption	110.2	113.3	106.9	108.8	106.3
Private	78.2	72.3	64.9	71.2	71.7
Government	32.0	40.9	42.0	37.7	34.5
Gross investment	14.4	19.5	17.9	11.7	12.0
Private	5.1	10.2	9.7	6.2	5.9
Government	9.2	9.3	8.2	5.6	6.1
Exports of goods and nonfactor services	54.6	45.3	53.1	46.5	42.0
Memorandum items:					
Gross national savings	4.7	0.5	5.2	1.4	4.0
Resource gap	-24.6	-32.8	-24.7	-20.5	-17.5

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

Table 6. Djibouti: Agricultural Production by Species, 1989/90–1993/94

(Unit tons)

	1989/90	1990/91	1991/92	1992/93	1993/94
Eggplant	39	50	30	27	...
Beetroot	23	25	20	16	...
Carrot	4	10	5	3	...
Cauliflower/Cabbage	...	...	...	8	...
Cucumber	10	15	5	2	...
Zucchini	10	15	5	2	...
Bush beans	5	10	5	6	...
Corn and dourah	5	10	5	3	...
Melon	8	6	2	85	...
Onion	130	150	100	54	...
Watermelon	80	100	40	36	...
Red pepper	60	60	20	2	...
Leek	200	210	100	—	...
Other (including fruits)	987	1,110	350	1,257	...

Sources: Data provided by the Djibouti authorities.

Table 7. Djibouti: Annual Slaughter and Exports of Animals and Skins, 1990–94

	1990	1991	1992	1993	1994
(In head)					
Number of animals					
Slaughtered	198,485	241,137	229,024	180,317	138,970
Sheep and goats	177,985	214,136	196,803	145,030	114,247
Cattle	20,389	26,834	32,022	35,148	24,608
Camels	111	167	199	139	115
Export of animals					
on the hoof	78,133	21,489	1,100	4,000	2,825
Sheep and goats	--	2,010	--	--	825
Cattle	78,133	19,479	1,100	4,000	2,000
(In metric tons)					
Exports of skins	396	404	395	385	323

Sources: Data provided by the Djibouti authorities.

Table 8. Djibouti: Purchases and Sales of Fish
by the Maritime Cooperative, 1990–94

(kilograms)

	1990	1991	1992	1993	1994 ^{1/}
Purchases	367,735	251,584	125,700	55,917	310,877
Lobsters	1,287	105	--	114	--
Fish, mollusks, and other shellfish	366,448	251,479	125,700	55,803	310,877
Sales	243,600	137,270	...	55,917	310,877
Individuals	102,100	66,367	...	...	...
Fish stores	141,500	70,903	...	...	...
Exports	78,100	35,589	...	...	...

Sources: Data provided by the Djibouti authorities.

^{1/} The Marine Cooperataive was shut down in 1993 and was sold to the private sector in 1994. All purchases are now sold to private individuals.

Table 9. Djibouti: Production and Consumption of Electricity, 1990–94

	1990	1991	1992	1993	1994
<u>(In kilowatt hours)</u>					
Production	201,548	205,994	212,698	220,339	224,085
Number of users	25,860	27,513	28,826	29,878	30,732
Consumption	169,023	171,451	198,695	206,341	209,506
Industry	82,090	82,610	95,737	99,421	117,180
Households	86,933	88,841	102,958	106,920	92,326
<u>(In thousands of Djibouti francs)</u>					
Sales	5,279	5,436	6,318	6,561	6,837
Industry	2,513	2,616	3,045	3,161	3,933
Households	2,766	2,820	3,273	3,400	2,904
<u>(Djibouti francs per kilowatt hours)</u>					
Average electricity prices	37.45	37.41	37.0	37.0	37.0

Sources: Data provided by the Djibouti authorities.

Table 10. Djibouti: Production and Consumption of
Running Water in Urban Areas, 1990–94

(In cubic meters)

	1990	1991	1992	1993	1994
Production	13,175	11,120	13,855	13,350	14,908
Consumption	10,528	9,681	9,865	9,237	9,976

Sources: Data provided by the Djibouti authorities.

Table 11. Djibouti: Transportation Activity, 1991–95

	1991	1992	1993	1994	<u>Prel.</u> 1995
Seaport traffic					
Passenger (number)	12,302	6,103	7,262	11,746	4,898
Total merchandise (1,000 tons) ^{1/}	1,957	1,302	1,018	1,207	404
Loaded and unloaded	1,491	916	695	844	530
Oil unloaded, bunkered, re-exported	466	386	323	363	215
Water supplied to ships, in cubic meters	73	70	53	33	29
Airport traffic					
Arrivals and departures (number of airplanes)	8,660	5,392	7,380	9,906	5,971
Passengers (number) ^{2/}	106,056	122,414	136,668	130,996	120,141
Freight (in tons)	41,310	15,245	10,744	9,645	11,953
Postal items (in tons)	490	450	463	383	338
Overall air traffic					
Number of traffic units ^{3/}	524	279	246	232	243
Percentage change	158.0	-46.8	-11.8	-5.7	5
Train traffic					
Passengers/kilometer	265	...	...	...	279
Merchandise (millions of tons/ kilometer)	130.3	136.7	152.3	112.3	273
Percentage change	-0.23	5.0	11.4		
Road vehicles					
Net new registration ^{4/}	1,113	...	...	869	...
Percentage change	-3.5	...	...	...	...
Of which: four-wheel vehicles (gross)	1,198	...	...	823	...
Motor vehicle annual licenses sold	7,396	7,051	6,820	6,578	...

Sources: Data provided by the Djibouti authorities; and Annuaire Statistique de Djibouti, 1991.

^{1/} Sum of loaded and unloaded merchandise, oil traffic, and water supply to ships.

^{2/} Sum of passengers arriving and departing, excluding those in transit (including military planes).

^{3/} One unit of traffic equals 1,000 passengers equals 100 tons of freight equals 100 tons of postal traffic.

^{4/} Includes net registration of all new four-wheel vehicles plus motorcycles less changes of registration numbers.

Table 12. Djibouti: Telecommunications Traffic, 1990–94

	Telephone Number of Users	Telephone Traffic		Facsimile Number of Users	Telegraphic Traffic (Numbers)				
		International (‘000 minutes)	National (‘000 of Com- munications)		Domestic		International		In Transit
					Sent	Received	Sent	Received	
1990	5,666	4,057	27,778	197	190	205	7,604	5,314	233
1991	6,125	3,155	25,790	196	286	263	7,782	4,658	139
1992	6,339	3,242	...	193	...	559	9,024	3,682	58
1993	7,349	4,228	...	171	...	1,449	8,701	2,785	...
1994	7,436	4,578	25,300	155	...	110	4,684	1,675	...

Sources: Data provided by Djibouti authorities; and *Annuaire Statistique de Djibouti*, 1991.

Table 13. Djibouti: Postal and Telecommunication Tariffs in Force at the Beginning of the Year, 1990-94

(In Djibouti francs)

	1990	1991	1992	1993	1994
Postal service					
Private letter, domestic					
Up to 20 g	30	30	30	30	30
From 500 g to 1 kg	290	290	290	290	290
Private letter by air					
10 g to France	120	120	120	120	120
Registered mail	300	300	300	420	420
Postal packet					
Air, 1 kg to France	3,211	3,211	3,211	3,211	3,200
Postal box (annual rent)					
Small size	5,000	5,000	5,000	5,000	5,000
Big size	7,500	7,500	7,500	7,500	7,500
Giant size	10,000	10,000	10,000	10,000	10,000
Telegraphic service					
France (per word)	56	56	56	56	56
Europe (Sweden) (per word)	105	105	111	111	105
Telex					
Tariff per unit	643	643	643	643	688
Telephone					
Main subscription	25,000	25,000	25,000	25,000	36,750
Urban communication	50	50	35	50	35
International communication ^{1/}	35	35	35	35	35

Sources: Data provided by the Djibouti authorities; and Annuaire Statistique de Djibouti, 1991.

^{1/} The unit is variable (from 2 to 10 seconds) according to the country called.

Table 14. Djibouti: Tourism, 1990-94

	1990	1991	1992	1993	1994
Number of rooms	335	316	330	330	330
Number of beds	590	523	546	545	545
(In thousands)					
Days multiplied by rooms	122	115	120	120	120
Days multiplied by beds	215	191	199	199	199
Number of tourists	32,699	33,322	27,624	24,715	46,595
Number of nights sold	75,050	43,801	79,431	98,112	69,122
(In percent)					
Occupancy rate	34.9	22.9	39.9	49.3	34.7

Sources: Data provided by the Djibouti authorities; and Annuaire Statistique de Djibouti, 1991.

Table 15. Djibouti: Expatriate Consumer Price Index by Product Group, 1991–95

(1989 = 100)

	Percentage Weight	1991	1992	1993	Oct. 1994	1994	Oct. 1995
General index		113.7	117.6	122.8	132.3	130.8	138.8
Percentage change		6.8	3.4	4.4	4.9	6.5	6.1
Food	41	118.3	123.3	128.1	135.5	132.9	145.4
Water, gas, electricity	6	100.6	102.2	102.2	113.3	113.3	113.3
Domestic help	6	127.2	127.2	127.2	127.2	127.2	127.2
Maintenance	14	114.3	116.8	126.8	141.3	141.1	149.3
Transport and tourism	17	106.6	109.8	114.9	133.8	133.6	135.9
Miscellaneous	16	108.8	113.2	119.2	122	120.6	126.1

Source: Data provided by the Djibouti authorities.

Table 16. Djibouti: Demand for Employment and Registered Offers
at the National Employment Service, 1990–94

	1990	1991	1992	1993	1994
New demands	4,326	4,899	3,992	4,299	5,176
Offers	983	751	899	447	1,340
Difference	-3,343	-4,148	-3,093	-3,853	-3,836
Sum of nonsatisfied demands since 1977	47,041	51,189	54,282	58,135	61,971

Sources: Data provided by the Djibouti authorities.

Table 17. Djibouti: Number of Government Employees, 1991–95

	1991	1992	1993	1994	1995
Total number of government employees <u>1/</u> (percentage change)	10,089 4.0	10,123 0.5	10,354 3.6	10,523 0.5	11,801 1.2
Of which:					
Interior	2,323	2,323	2,333	2,333	3,147
Percent of total	32	32	31	31	31
National education	1,281	1,448	1,534	1,605	1,618
Percent of total	18	20	20	21	22
Health	1,013	1,024	1,067	1,067	1,152
Percent of total	14	14	14	14	15
Public works	401	401	405	406	551
Percent of total	6	6	5	5	5
Agriculture	341	342	356	356	422
Percent of total	5	5	5	5	5

Sources: Data provided by the Djibouti authorities.

1/ Including National Defense.

Table 18. Djibouti: Employment and Wage Bill, 1991–95

(In millions of Djibouti francs, except as noted)

	1991	1992	1993	1994	1995
Central Government					
Number of employees	7,209	7,243	7,504	7,541	7,631
Percentage change	4.0	0.5	3.6	0.5	1.2
Wage bill	14,230	15,578	15,925	16,026	16,000
Average annual wage	2.0	2.2	2.1	2.1	2.1
Private sector and parastatals					
Number of employees	14,186	17,612	...	...	...
Wage bill	12,300	12,208	...	...	...
Average annual wage (thousands)	867	727	...	...	...

Sources: Data provided by the Djibouti authorities; and Annuaire Statistique de Djibouti, 1991.

Table 19. Djibouti: Public Investment Program, 1992-94

(In millions of Djibouti francs)

	1992	1993	Est. 1994	Total
Primary sector	644.8	952.4	347.0	1,944.2
Agriculture	158.2	282.8	45.5	486.5
Livestock and fishing	39.1	64.5	221.6	325.2
Rural water and power	447.5	605.1	79.9	1,132.5
Secondary sector	2,191.5	1,055.0	787.6	4,034.1
Industry	...	...	...	...
Mining	92.8	139.0	--	231.8
Water	2,013.1	811.1	621.9	3,446.1
Electricity	77.3	27.5	--	104.8
Handicraft	8.3	77.4	165.7	251.4
Infrastructure	9,430.0	8,374.2	5,211.4	23,015.6
Roads	3,236.5	2,235.0	1,353.0	6,824.5
Port	4,921.2	2,995.1	862.7	8,779.0
Air transport	777.1	1,434.0	688.0	2,899.1
Post and telecommunications	35.2	269.8	377.8	682.8
Construction	121.0	14.5	5.5	141.0
Urban development	339.0	1,425.8	1,924.4	3,689.2
Tourism	...	...	...	...
Social sectors	3,580.0	3,755.3	1,733.5	9,068.8
Population and employment	107.7	642.3	718.1	1,468.1
Education and training	1,537.8	1,517.4	471.4	3,526.6
Health	965.8	772.2	510.6	2,248.6
Culture and sports	531.7	698.5	10.4	1,240.6
Social development and women	133.9	-67.5	3.7	205.1
Environment	--	--	--	--
Communication	239.0	25.7	11.4	276.1
Other	64.1	31.7	7.9	103.7
Administration, planning, and finance	2,313.7	1,937.9	1,260.8	5,512.4
Economic management	1,525.2	1,679.3	1,198.1	4,402.6
Administrative equipment	788.5	258.6	62.7	1,109.8
Total	18,160.0	16,074.8	9,337.6	43,572.4
Of which:				
State	10,336.1	9,583.7	7,516.3	27,436.0
Public enterprises	7,823.9	6,491.1	1,821.3	16,139.0

Source: Data provided by the Djibouti authorities.

Table 20. Djibouti: Consolidated Fiscal Operations, 1991-95

(In millions of Djibouti francs)

	1991	1992	1993	1994	<u>Prel.</u> 1995
Revenue	20,898	22,463	23,751	25,591	24,970
Tax revenue	19,583	21,193	22,461	24,320	23,550
Nontax revenue	1,315	1,270	1,290	1,271	1,420
Total expenditure	33,216	42,580	41,982	37,217	35,293
Current expenditure, of which:	25,741	34,783	35,116	32,409	29,918
Wages and salaries	15,273	19,838	20,135	20,997	20,600
Material and supplies	6,801	9,636	9,523	5,740	4,432
Maintenance	1,023	657	555	635	568
Other ^{1/}	1,258	2,108	2,162	2,535	992
Capital expenditure	7,474	7,797	6,866	4,808	5,375
Arrears (decrease = -)	-2,785	286	3,131	1,984	2,482
Financing	15,103	19,830	15,100	9,642	7,841
Domestic financing	3,776	8,021	4,899	3,204	1,383
Bank financing	-124	5,690	1,043	1,060	1,173
Nonbank financing	3,900	2,331	3,857	2,144	210
External financing	11,326	11,809	10,201	6,438	6,458
Grants	9,891	10,366	7,382	4,314	4,867
Net borrowing	323	43	2,554	2,063	-1,679

Sources: Data provided by the Djibouti Authorities; and staff estimates.

^{1/} Includes extrabudgetary outlays financed by external grants and loans.

Table 21. Djibouti: Government Revenue, 1991-95

(In millions of Djibouti francs)

	1991	1992	1993	1994	Prel. 1995
Total revenue	20,898	22,463	23,751	25,591	24,970
Tax revenue	19,583	21,193	22,461	24,320	23,551
Direct taxes	6,807	8,728	9,186	9,843	9,435
Property tax	742	723	911	794	708
Licences	1,404	1,345	1,405	1,207	1,173
Tax on wages and salaries	2,592	3,067	2,719	3,162	3,164
Tax on income and profits	1,847	1,588	1,673	2,024	1,690
Tax on companies	1,486	1,299	1,151	1,581	1,273
Other (BIC, BNC, and PVI)	361	288	522	444	417
Other	222	224	286	615	803
Patriotic contribution	--	1,782	2,193	2,042	1,897
Indirect taxes	11,656	11,177	12,038	13,101	12,725
Domestic taxes	8,710	8,049	8,042	8,154	7,858
Surcharge on Khat	1,143	1,483	1,972	2,256	2,345
Surcharge on petroleum products	450	455	413	1,073	1,091
Surcharge on tobacco	559	513	707	682	592
Surcharge on alcohol	446	413	603	650	537
Other surcharges	348	266	301	285	302
Registration, tags and stamp duties	1,120	1,287	1,238	1,376	1,391
Registration fees and tags	540	573	584	582	656
Stamp duties	580	560	506	409	433
Other	--	154	147	386	302
Nontax revenue	1,315	1,270	1,290	1,271	1,419
Estate revenue	163	149	161	141	94
Service revenue	977	398	483	356	318
Other	175	551	439	489	879
Property sales	...	172	207	285	128

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

Table 22. Djibouti: Government Revenue, 1991–95

(In percent of GDP)

	1991	1992	1993	1994	<u>Prel.</u> 1995
Total revenue	25.8	26.9	28.4	29.6	28.4
Tax revenue	24.2	25.4	26.8	28.1	26.8
Direct taxes	8.4	10.5	11.0	11.4	10.7
Property tax	0.9	0.9	1.1	0.9	0.8
Licenses	1.7	1.6	1.7	1.4	1.3
Tax on wages and salaries	3.2	3.7	3.2	3.7	3.6
Tax on income and profits	2.3	1.9	2.0	2.3	1.9
Tax on companies	1.8	1.6	1.4	1.8	1.4
Other (BIC, BNC, and PVI)	0.4	0.3	0.6	0.5	0.5
Other	0.3	0.3	0.3	0.7	0.9
Patriotic contribution	0.0	2.1	2.6	2.4	2.2
Indirect taxes	14.4	13.4	14.4	15.1	14.5
Domestic taxes	10.8	9.6	9.6	9.4	8.9
Surcharge on Khat	1.4	1.8	2.4	2.6	2.7
Surcharge on petroleum products	0.6	0.5	0.5	1.2	1.2
Surcharge on tobacco	0.7	0.6	0.8	0.8	0.7
Surcharge on alcohol	0.6	0.5	0.7	0.8	0.6
Other surcharges	0.4	0.3	0.4	0.3	0.3
Registration, tags and stamp duties	1.4	1.5	1.5	1.6	1.6
Registration fees and tags	0.7	0.7	0.7	0.7	0.7
Stamp duties	0.7	0.7	0.6	0.5	0.5
Other	--	0.2	0.2	0.4	0.3
Nontax revenue	1.6	1.5	1.5	1.5	1.6
Estate revenue	0.2	0.2	0.2	0.2	0.1
Service revenue	1.2	0.5	0.6	0.4	0.4
Other	0.2	0.7	0.5	0.6	1.0
Property sales	0.0	0.2	0.2	0.3	0.1

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

Table 23. Djibouti: Government Revenue, 1991-95

(In percent of total revenue)

	1991	1992	1993	1994	Prel. 1995
Total revenue and grants	100.0	100.0	100.0	100.0	100.0
Tax revenue	93.8	94.3	94.6	95.0	94.3
Direct taxes	32.6	38.9	38.7	38.5	37.8
Property tax	3.5	3.2	3.8	3.1	2.8
Licences	6.7	6.0	5.9	4.7	4.7
Tax on wages and salaries	12.3	13.7	11.4	12.4	12.7
Tax on income and profits	8.8	7.1	7.0	7.9	6.8
Tax on companies	7.1	5.8	4.8	6.2	5.1
Other (BIC, BNC and PVI)	1.7	1.3	2.2	1.7	1.7
Other	1.1	1.0	1.2	2.4	3.2
Patriotic contribution	--	7.9	9.2	8.0	7.6
Indirect taxes	55.8	49.8	50.7	51.2	51.0
Domestic taxes	41.3	35.8	33.9	31.9	31.5
Surcharge on Khat	5.4	6.6	8.3	8.8	9.4
Surcharge on petroleum products	2.1	2.0	1.7	4.2	4.4
Surcharge on tobacco	2.7	2.3	3.0	2.7	2.4
Surcharge on alcohol	2.1	1.8	2.5	2.5	2.2
Other surcharges	1.7	1.2	1.3	1.1	1.2
Registration, tags and stamp duties	5.4	5.7	5.2	5.4	5.6
Registration fees and tags	2.6	2.6	2.5	2.3	2.6
Stamp duties	2.8	2.5	2.1	1.6	1.7
Other	--	0.7	0.6	1.5	1.2
Nontax revenue	6.2	5.7	5.4	5.0	5.7
Estate revenue	0.8	0.7	0.7	0.6	0.4
Service revenue	4.6	1.8	2.0	1.4	1.3
Other	0.8	2.5	1.8	1.9	3.5
Property sales	--	0.8	0.9	1.1	0.5

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

Table 24. Djibouti: Government Expenditure, 1991-95

(In millions of Djibouti francs)

	1991	1992	1993	1994	Prel. 1995
Total expenditure	33,216	42,580	41,982	37,217	35,293
Current expenditure	25,741	34,783	35,116	32,409	29,918
Treasury	24,311	33,278	33,625	31,467	28,736
Wages and salaries	15,273	19,838	20,135	20,997	20,600
Budget allocation	15,273	15,578	15,925	16,026	...
General mobilization/demobilization	---	4,260	4,210	4,971	...
Mobilization	---	...	...	4,637	...
Demobilization	---	---	---	334	...
Material and supplies	6,801	9,636	9,523	5,740	4,432
Budget allocation	6,801	7,232	6,358	5,159	...
General mobilization	---	2,403	3,165	581	...
Maintenance	888	657	555	635	568
Transfers	1,107	2,034	2,375	2,131	2,566
International organizations	...	140	80	193	...
Special treasury accounts	...	170	120	153	...
Public entities	...	276	563	543	...
Private entities	...	251	149	138	...
Subsidies	...	248	248	113	...
Scholarships	...	755	1,071	817	...
Other	...	36	71	42	...
Reduction in arrears	...	159	73	134	...
Other	...	32	9	21	---
Interest on public debt	279	510	366	371	760
External debt	...	361	167	146	211
Domestic debt	...	106	178	145	469
Certificates of deposits	...	43	21	80	80
Other - adjustment	-172	572	662	1,572	190
Extra-Treasury	1,430	1,505	1,491	942	1,182
Capital expenditure	7,474	7,796	6,865	4,808	5,375
Treasury	1,753	1,777	903	1,038	650
Budgetary	985	1,343	502	835	...
Food aid proceeds	242	102	104	18	...
Special accounts	527	332	298	185	...
Extra-Treasury	5,721	6,019	5,962	3,770	4,725
Functional classification					
Current expenditure (Treasury)	24,311	33,278	33,625	31,467	28,736
General administration	10,768	12,263	12,073	10,905	...
Defense	5,828	5,089	4,702	4,648	...
Mobilization/demobilization	---	6,663	7,375	5,553	...
Social services	3,875	4,429	4,488	4,509	...
Education	2,095	2,379	2,575	2,615	...
Health	1,780	2,050	1,913	1,894	...
Economic services	1,895	1,687	1,575	1,758	...
Agriculture	400	461	483	535	...
Public works	472	569	538	588	...
Maintenance work	1,023	657	555	635	...
Transfers	1,973	2,003	2,366	2,110	568
Other	...	32	9	21	...
Interest on public debt	279	510	366	371	...
Other - Adjustment	559	572	662	1,572	...

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

Table 25. Djibouti: Government Consolidated Expenditure, 1991-95

(in percent of GDP)

	1991	1992	1993	1994	Prel. 1995
Total expenditure	41.0	51.0	50.1	43.0	40.1
Current expenditure	31.8	41.7	41.9	37.4	34.0
Treasury	30.0	39.9	40.1	36.3	32.7
Wages and salaries	18.9	23.8	24.0	24.2	23.4
Budget allocation	18.9	18.7	19.0	18.5	...
General mobilization/demobilization	--	5.1	5.0	5.7	...
Mobilization	--	...	...	5.4	...
Demobilization	--	--	--	0.4	...
Material and supplies	8.4	11.5	11.4	6.6	5.0
Budget allocation	8.4	8.7	7.6	6.0	...
General mobilization	--	2.9	3.8	0.7	...
Maintenance	1.1	0.8	0.7	0.7	0.6
Transfers	1.4	2.4	2.8	2.5	2.9
International organizations	...	0.2	0.1	0.2	...
Special treasury accounts	...	0.2	0.1	0.2	...
Publics entities	...	0.3	0.7	0.6	...
Private entities	...	0.3	0.2	0.2	...
Subsidies	...	0.3	0.3	0.1	...
Scholarships	...	0.9	1.3	0.9	...
Other	...	0.0	0.1	0.0	...
Reduction in arrears	...	0.2	0.1	0.2	...
Other	...	0.0	0.0	0.0	...
Interest on public debt	0.3	0.6	0.4	0.4	...
External debt	...	0.4	0.2	0.2	...
Domestic debt	...	0.1	0.2	0.2	...
Certificates of deposits	...	0.1	0.0	0.1	...
Other - Adjustment	-0.2	0.7	0.8	1.8	0.2
Extra-Treasury	1.8	1.8	1.8	1.1	1.3
Capital expenditure	9.2	9.3	8.2	5.6	6.1
Treasury	2.2	2.1	1.1	1.2	0.7
Budgetary	2.2	2.1	1.1	1.2	0.7
Food aid proceeds	0.3	0.1	0.1	0.0	...
Special accounts	0.7	0.4	0.4	0.2	...
Extra-Treasury	7.1	7.2	7.1	4.4	5.4
Functional classification					
Current expenditure (Treasury)	30.2	39.9	40.1	36.3	32.7
General administration	13.3	14.7	14.4	12.6	...
Defense	7.2	6.1	5.6	5.4	...
Mobilization/demobilization	--	8.0	8.8	6.4	...
Social services	4.8	5.3	5.4	5.2	...
Education	2.6	2.8	3.1	3.0	...
Health	2.2	2.5	2.3	2.2	...
Economic services	2.2	2.0	1.9	2.0	...
Agriculture	0.5	0.6	0.6	0.6	...
Public works	0.6	0.7	0.6	0.7	...
Maintenance work	1.1	0.8	0.7	0.7	...
Transfers	2.4	2.4	2.8	2.4	...
Other	...	0.0	0.0	0.0	...
Interest on public debt	0.3	0.6	0.4	0.4	...
Other - Adjustment	0.7	0.7	0.8	1.8	--

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

Table 26. Djibouti: Government Expenditure, 1991-95

(In percent of total expenditure)

	1991	1992	1993	1994	Prel. 1995
Total expenditure	100.0	100.0	100.0	100.0	100.0
Current expenditure	77.5	81.7	83.6	87.1	84.8
Treasury	73.2	78.2	80.1	84.5	81.4
Wages and salaries	46.0	46.6	48.0	56.4	58.4
Budget allocation	46.0	36.6	37.9	43.1	...
General mobilization/demobilization	--	10.0	10.0	13.4	...
Mobilization	--	...	...	11.7	...
Demobilization	--	--	--	0.8	...
Material and supplies	20.5	22.6	22.7	15.4	12.6
Budget allocation	20.5	17.0	15.1	13.7	...
General mobilization	--	5.6	7.5	1.5	...
Maintenance	2.7	1.5	1.3	1.7	1.6
Transfers	2.8	4.8	5.7	5.7	7.3
International organizations	...	0.3	0.2	0.5	...
Special treasury accounts	...	0.4	0.3	0.4	...
Publics entities	...	0.6	1.3	1.4	...
Private entities	...	0.6	0.4	0.4	...
Subsidies	...	0.6	0.6	0.3	...
Scholarships	...	1.8	2.6	2.2	...
Other	...	0.0	0.1	0.1	...
Reduction in arrears	...	0.4	0.2	0.4	...
Other	...	0.1	0.0	0.1	...
Interest on public debt	0.8	1.2	0.9	1.0	2.0
External debt	...	0.8	0.4	0.4	...
Domestic debt	...	0.2	0.4	0.4	...
Certificates of deposits	...	0.1	0.1	0.2	...
Other - adjustment	-0.5	1.4	1.7	5.2	...
Extra-Treasury	4.3	3.5	3.6	2.5	3.3
Capital expenditure	22.4	18.3	16.3	12.8	15.2
Treasury	5.3	4.2	2.2	2.8	1.8
Budgetary	2.9	3.2	1.2	2.2	...
Food grant proceeds	0.7	0.2	0.2	0.0	...
Special accounts	1.6	0.8	0.7	0.5	...
Extra-Treasury	17.1	14.1	14.2	10.0	13.4
Functional classification					
Current expenditure (Treasury)	73.2	78.2	80.1	84.5	81.4
General administration	32.3	28.8	28.7	29.0	...
Defense	17.5	12.0	11.2	12.4	...
Mobilization/demobilization	--	15.6	17.6	14.8	...
Social services	11.6	10.4	10.7	12.0	...
Education	6.3	5.6	6.1	7.0	...
Health	5.3	4.8	4.6	5.0	...
Economic services	5.3	4.0	3.7	4.7	...
Agriculture	1.2	1.1	1.1	1.4	...
Public works	1.4	1.3	1.3	1.6	...
Maintenance work	2.7	1.5	1.3	1.7	...
Transfers	5.9	4.7	5.6	5.6	...
Other	...	0.1	0.0	0.1	...
Interest on public debt	0.8	1.2	0.9	1.0	...
Other - Adjustment	1.7	1.3	1.6	4.2	--

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

Table 27. Djibouti: Financing of Consolidated Fiscal Operations, 1991-95

(In millions of Djibouti francs)

	1991	1992	1993	1994	Prel. 1995
Balance (payment—order basis and excl. grants)	-12,318	-20,117	-18,231	-11,626	-10,324
Arrears (decrease=)	-2,785	286	3,131	1,984	2,482
Domestic arrears	...	286	3,092	993	2,467
Wages and salaries	...	—	1,678	-165	1,497
Goods and services	...	286	1,414	1,158	970
On budget	...	74	621	1,054	...
On special accounts	...	213	806	104	...
External arrears	—	—	39	991	15
Balance (cash basis and excl. grants)	-15,103	-19,830	-15,100	-9,642	-7,842
Financing	15,103	19,830	15,100	9,642	7,842
Domestic financing	3,776	8,021	4,899	3,204	1,384
Bank financing	-124	5,690	1,043	1,060	1,174
Central Bank	-871	5,524	593	145	193
Claims on government	—	—	307	227	—
Government deposits	871	-5,524	-286	82	-193
Reserve fund	-390	—	—	132	-135
Treasury cash in vaults	899	-853	-81	-3	-22
Other	362	-4,671	-205	-47	-36
Commercial banks	747	166	450	915	981
Claims on government	—	—	446	2,079	-381
Government deposits	-747	-166	-4	1,164	-1,362
Nonbank financing	3,900	2,331	3,857	2,144	210
Public enterprises	3,989	2,368	4,573	1,825	931
Short term deposits	1,238	358	1,975	355	71
General mobilization	—	700	—	—	—
Budget contribution	51	—	980	750	740
Loans	1,200	1,025	1,150	720	120
Advances	—	—	400	—	—
Certificates of deposits	1,500	285	68	—	—
Other public entities	80	46	261	-51	38
Customs duty bills	20	74	-475	654	13
Other	—	—	—	56	—
Amortization	189	157	503	340	772
External financing	11,326	11,809	10,201	6,438	6,458
Grants	9,891	10,366	7,382	4,314	4,867
Treasury	4,892	4,574	3,117	2,123	960
Extra—Treasury	4,999	5,792	4,265	2,191	3,907
Net borrowing	323	43	2,554	2,063	-1,679
Drawings	2,152	1,732	3,188	2,521	1,999
Amortization	1,829	1,689	634	458	3,678
Debt relief	1,112	1,401	265	61	3,270
Memorandum items					
Balance (payment—order basis and incl. grants)	-2,427	-9,751	-10,849	-7,312	-5,457
Overall balance (cash basis and incl. grants)	-5,212	-9,465	-7,718	-5,328	-2,975

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

Table 28. Djibouti: Financing of Consolidated Fiscal Operations, 1991-95

(In percent of total financing)

	1991	1992	1993	1994	Prel. 1995
Overall financing	100.0	100.0	100.0	100.0	100.0
Domestic financing	25.0	40.4	32.4	33.2	17.6
Bank financing	-0.8	28.7	6.9	11.0	15.0
Central Bank	-5.8	27.9	3.9	1.5	2.5
Claims on Government	--	--	2.0	2.4	--
Government deposits	5.8	-27.9	-1.9	0.9	-2.5
Reserve fund	-2.6	--	--	1.4	-1.7
Treasury cash in vaults	6.0	-4.3	-0.5	--	-0.3
Other	2.4	-23.6	-1.4	-0.5	-0.5
Commercial banks	4.9	0.8	3.0	9.5	12.5
Claims on Government	--	--	3.0	21.6	-4.9
Government deposits	-4.9	-0.8	--	12.1	-17.4
Nonbank financing	25.8	11.8	25.5	22.2	2.7
Public enterprises	26.4	11.9	30.3	18.9	11.9
Short term deposits	8.2	1.8	13.1	3.7	0.9
General mobilization	--	3.5	--	--	--
Budget contribution	0.3	--	6.5	7.8	9.4
Loans	7.9	5.2	7.6	7.5	1.5
Advances	--	--	2.6	--	--
Certificates of deposits	9.9	1.4	0.5	--	--
Other public entities	0.5	0.2	1.7	-0.5	0.5
Customs duty bills	0.1	0.4	-3.1	6.8	0.2
Other	--	--	--	0.6	--
Amortization	1.3	0.8	3.3	3.5	9.8
External financing	75.0	59.6	67.6	66.8	82.4
Grants	65.5	52.3	48.9	44.7	62.1
Treasury	32.4	23.1	20.6	22.0	12.2
Extra-Treasury	33.1	29.2	28.2	22.7	49.8
Net borrowing	2.1	0.2	16.9	21.4	-21.4
Drawings	14.2	8.7	21.1	26.1	25.5
Amortization	12.1	8.5	4.2	4.7	46.9
Debt relief	7.4	7.1	1.8	0.6	41.7

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

Table 29. Djibouti: Financing of Consolidated Fiscal Operations, 1991-95

(In percent of GDP)

	1991	1992	1993	1994	Prel. 1995
Balance (payment-order basis and excl. grants)	-15.2	-24.1	-21.8	-13.4	-11.7
Arrears (decrease= -)	-3.4	0.3	3.7	2.3	2.8
Domestic arrears	...	0.3	3.7	1.1	2.8
Wages and salaries	...	--	2.0	-0.2	1.7
Goods and services	...	0.3	1.7	1.3	1.1
On budget	...	0.1	0.7	1.2	--
On special accounts	...	0.3	1.0	0.1	--
External arrears	--	--	0.1	0.3	--
Overall balance (cash basis and excl. grants)	-18.7	-23.7	-18.0	-11.1	-8.9
Overall financing	18.7	23.7	18.0	11.1	8.9
Domestic financing	4.7	9.6	5.8	3.7	1.6
Bank financing	-0.2	6.8	1.2	1.2	1.3
Central Bank	-1.1	6.6	0.7	0.2	0.2
Claims on government	--	--	0.4	0.3	--
Government deposits	1.1	-6.6	-0.3	0.1	-0.2
Reserve fund	-0.5	--	--	0.2	-0.2
Treasury cash in vaults	1.1	-1.0	-0.1	--	--
Other	0.4	-5.6	-0.2	-0.1	--
Commercial banks	0.9	0.2	0.5	1.1	1.1
Claims on government	--	--	0.5	2.4	-0.4
Government deposits	-0.9	-0.2	--	1.3	-1.5
Nonbank financing	4.8	2.8	4.6	2.5	0.2
Public enterprises	4.9	2.8	5.5	2.1	1.1
Short term deposits	1.5	0.4	2.4	0.4	0.1
General mobilization	--	0.8	--	--	--
Budget contribution	0.1	--	1.2	0.9	0.8
Loans	1.5	1.2	1.4	0.8	--
Advances	--	--	0.5	--	--
Certificates of deposits	1.9	0.3	0.1	--	--
Other public entities	0.1	0.1	0.3	-0.1	--
Customs duty bills	--	0.1	-0.6	0.8	--
Other	--	--	--	--	--
Amortization	0.2	0.2	0.6	0.4	0.9
External financing	14.0	14.1	12.2	7.4	7.3
Grants	12.2	12.4	8.8	5.0	5.5
Treasury	6.0	5.5	3.7	2.5	1.1
Extra-Treasury	6.2	6.9	5.1	2.5	4.4
Net borrowing	0.4	0.1	3.0	2.4	-1.9
Drawings	2.7	2.1	3.8	2.9	2.3
Amortization	2.3	2.0	0.8	0.5	4.2
Debt relief	1.4	1.7	0.3	0.1	3.7
Memorandum items					
Balance (payment-order basis and incl. grants)	-3.0	-11.7	-13.0	-8.4	-6.2
Overall balance (cash basis and incl. grants)	-6.4	-11.3	-9.2	-6.2	-3.4

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

Table 30. Djibouti: Factors Affecting Changes in Domestic Liquidity, 1991–95

	1991	1992	1993	1994	Prel. 1995
(In millions of Djibouti francs)					
Net foreign assets	3,405	-9,649	1,862	-1,433	-1,992
Monetary authorities ^{1/}	1,135	-2,966	-1,478	620	-1,277
Commercial banks	2,270	-6,683	3,340	-2,053	-715
Net domestic assets	-2,651	5,984	-3,073	2,268	3,820
Domestic credit	-1,287	5,178	-1,147	1,671	5,641
Net credit to Central Government ^{1/}	-124	5,690	994	1,064	1,173
Credit to the rest of the economy ^{2/}	-1,163	-512	-2,141	607	4,468
Other items (net)	-1364	806	-1926	597	-1,821
Money and quasi-money	754	-3665	-1211	835	1,828
Currency in circulation	228	2,068	-930	292	-1,326
Demand deposits	2434	835	612	-394	-657
Time deposits	-1,908	-6,568	-893	937	3,811
(Change from year earlier, as percent of broad money at beginning of period)					
Net foreign assets	5.8	-16.2	3.3	-2.6	-3.6
Monetary authorities	1.9	-5.0	-2.6	1.1	-2.3
Commercial banks	3.9	-11.2	6.0	-3.8	-1.3
Net domestic assets	-4.5	10.0	-5.5	4.1	6.9
Domestic credit	-2.2	8.7	-2.0	3.1	10.2
Net credit to the Central Government	-0.2	9.5	1.8	1.9	2.1
Credit to the rest of the economy	-2.0	-0.8	-3.8	1.1	8.0
Other items net	2.3	-1.4	3.4	-1.1	-3.3
Money and quasi-money	1.3	-6.2	-2.2	1.5	3.3
Memorandum items:					
Official reserves as percent of monetary cover ^{3/}	168.3	125.3	122.7	123.7	125.6
Currency in circulation as percent of broad money	15.5	20.3	19.0	19.3	16.3
Demand deposits as percent of broad money	34.8	38.6	40.6	39.3	36.9
Time deposits as percent of broad money	49.6	41.1	40.4	41.5	46.8

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

^{1/} In the monetary accounts, transactions associated with the inflows of exceptional grants in 1990–91, and their subsequent utilization are reflected initially in net foreign assets and government deposits. In the fiscal accounts, the grants have been registered at the time of utilization.

^{2/} Including customs duty bills.

^{3/} The monetary cover is equivalent to the sum of currency outside banks, currency inside banks, and currency held at the Treasury.

Table 31. Djibouti: Monetary Survey, 1991–95

	1991	1992	1993	1994	<u>Prel.</u> 1995
Net foreign assets	45,007	35,358	37,222	35,787	33,795
Monetary authorities <u>1/</u>	17,772	14,806	13,328	13,948	12,671
Commercial banks	27,235	20,552	23,894	21,839	21,124
Net domestic assets	14,571	20,552	17,482	19,750	23,570
Domestic credit	28,366	33,545	32,398	34,068	39,709
Net credit to the Central Government <u>1/</u>	-7,575	-1,885	-891	173	1,346
Credit to the private sector <u>2/</u>	35,941	35,429	33,288	33,895	38,363
Other items (net)	-13,795	-12,992	-14,915	-14,318	-16,139
Money and quasi-money	59,578	55,913	54,704	55,537	57,365
Currency in circulation	9,263	11,331	10,401	10,693	9,367
Demand deposits	20,761	21,596	22,209	21,814	21,157
Time deposits	29,554	22,986	22,094	23,527	26,841
(Annual changes in percent of beginning (broad money stock) <u>3/</u>)					
Net foreign assets	5.8	-16.2	3.3	-2.6	-3.6
Monetary authorities	1.9	-5.0	-2.6	1.1	-2.3
Commercial banks	3.9	-11.2	6.0	-3.8	-1.3
Net domestic assets	-4.5	10.0	-5.5	4.1	6.9
Net credit to the Central Government	-0.2	9.5	1.8	1.9	2.1
Credit to the private sector	-2.0	-0.8	-3.8	1.1	8.0
Other items (net)	2.3	-1.4	3.4	-1.1	-3.2
Money and quasi-money	1.3	-6.2	-2.2	1.5	3.3

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

1/ In the monetary accounts, transactions associated with the inflows of exceptional grants in 1990–91, and their subsequent utilization are reflected initially in net foreign assets and government deposits. In the fiscal accounts, the grants have been registered at the time of utilization.

2/ Including customs duty bills.

3/ Data for June 1995 cover a one-year period starting June 1, 1994.

Table 32. Djibouti: Analytical Accounts of the Monetary Authorities, 1991–95

(In millions of Djibouti francs; end of period)

	1991	1992	1993	1994	Prel. 1995
Foreign assets	17,772	14,823	13,347	13,962	12,688
Monetary cover <u>1/</u>	10,560	11,814	10,859	11,277	10,089
Other foreign assets <u>2/</u>	6,849	2,456	2,451	2,685	2,567
SDR holdings	48	37	37	--	15
Reserve position in the Fund	315	516	--	--	--
Claims on Government	--	--	307	534	534
Claims on commercial banks	37	39	40	40	42
Reserve money	9,899	12,187	11,250	11,869	10,370
Currency outside banks	9,263	11,331	10,401	10,693	9,367
Currency issued	10,560	11,814	10,859	11,277	10,089
Less: Currency held by treasury	944	91	25	- 22	23
Less: Banks' cash	353	392	433	562	699
Currency with banks	353	392	433	562	699
Banks' deposits	283	464	416	614	304
Foreign liabilities	--	17	19	14	17
Government deposits	6,480	956	719	797	605
Of which:	3,990	842	137	--	--
Deposits of exceptional grants <u>2/</u>					
Other items (net)	1,430	1,702	1,706	1,856	2,272

Sources: Data provided by the Djibouti authorities.

1/ The monetary cover is equivalent to the sum of currency outside banks, currency inside banks, and currency of the Treasury.

2/ Transactions associated with the inflows of exceptional grants in 1991 and their subsequent utilization are reflected initially in foreign assets and government deposits.

Table 33. Djibouti: Analytical Accounts of the Commercial Banks, 1991–95

(In millions of Djibouti francs; end of period)

	1991	1992	1993	1994	Prel. 1995
Reserves	647	868	926	1,148	1,065
Foreign assets	40,049	35,561	38,966	37,594	37,314
Correspondent accounts	37,670	34,088	35,925	36,135	35,685
Other	2,379	1,473	3,042	1,459	1,629
Claims on the Government	--	--	446	2,525	2,144
Claims on the economy	35,594	35,156	32,540	33,801	38,247
Claims on public enterprises	489	444	483	419	464
Claims on the private sector	35,105	34,712	32,057	33,382	37,783
Total assets/liabilities	76,290	71,585	72,878	75,068	78,770
Demand deposits	20,761	21,596	22,208	21,814	21,157
Time deposits	29,554	22,986	22,093	23,030	26,841
Foreign liabilities	12,814	15,009	15,074	15,755	16,190
Correspondent accounts	8,277	9,125	7,181	8,792	8,452
Demand deposits	2,104	3,933	4,291	3,748	3,402
Time deposits	1,028	1,574	1,410	1,468	2,514
Other	1,405	376	2,191	1,747	1,822
Government deposits	1,095	929	925	2,089	727
Credit from the Central Bank	69	39	40	40	40
Other items (net)	11,997	11,027	12,540	12,340	13,815

Source: Data provided by the Djibouti authorities.

Table 34. Djibouti: Analytical Accounts of the Development Bank of Djibouti, 1991–95

(In millions of Djibouti francs: end of period)

	1991	1992	1993	1994	<u>Prel.</u> 1995
Cash and bank deposits	510	251	261	167	79
Claims on private sector	2,860	4,202	4,472	4,277	4,126
Claims on the Government	29	44	148	469	195
Total Assets/Liabilities	3,399	4,497	4,881	4,913	4,401
Time deposits	6	6	6	31	31
Long-term foreign liabilities	527	644	712	610	562
Government lending funds	1,463	1,999	1,788	1,542	1,533
Capital accounts	1,133	1,529	1,557	1,557	1,557
Other items, net	270	319	818	1,173	718

Source: Data provided by the Djibouti authorities.

Table 35. Djibouti: Structure of Interest Rates, 1991–95

(In percent per annum)

	<u>Time deposits 1/</u>		<u>Lending Rate</u>	
	DJF	US\$	Min.	Max.
1991	4.5–8.0	4.0–7.0	12.5	16.0
1992	2.3–3.8	2.0–3.7	12.5	16.0
1993	2.3–3.0	2.0–3.0	12.5	16.0
1994	3.0–4.0	3.0–4.0	12.5	16.0
1995	3.0–4.0	3.0–4.0	12.0	18.0

Sources: Data provided by the Djibouti authorities.

1/ The minimum balance for time deposits in Djibouti francs is DF 1,000,000 with a minimum term of one month. The minimum balance of time deposits in U.S. dollars is US\$5,000 with a minimum term of one month.

Table 36. Djibouti: Balance of Payments, 1991-95 ^{1/}

	1991	1992	1993	1994	Prel 1995
(In millions of U.S. dollars)					
Exports, f.o.b.	71.6	53.2	71.2	56.4	33.5
Of which: Locally produced goods	17.0	15.7	12.1	19.3	13.1
Imports, f.o.b.	258.2	259.1	255.1	237.1	204.9
Of which: for domestic use	191.8	208.6	196.8	191.6	177.3
Trade balance	-186.6	-205.9	-183.9	-180.7	-171.5
Services and income (net)	83.6	60.1	72.8	85.3	92.1
Credit	193.5	177.5	192.0	182.0	187.9
Debit	-109.8	-117.4	-119.1	-96.7	-95.9
Of which: interest due	-1.9	-4.3	-2.9	-3.4	-3.8
Unrequited transfers	82.1	74.5	80.2	55.3	67.0
Official	89.9	83.9	86.7	63.3	76.2
Private	-7.9	-9.4	-6.5	-8.0	-9.2
Current account (including official transfers)	-21.1	-71.4	-30.9	-40.1	-12.4
Current account (excluding official transfers)	-111.0	-155.2	-117.6	-103.4	-88.6
Capital account	27.5	54.7	22.2	41.0	-12.0
Foreign direct investment	2.3	2.3	1.4	1.4	3.2
Public capital	15.0	36.4	36.8	26.2	-9.4
Drawings	22.6	43.4	43.6	34.4	18.9
Amortization	-7.6	-7.0	-6.8	-8.2	-28.3
Private capital	10.2	16.0	-16.0	13.4	-5.8
Commercial banks	-1.7	37.6	-18.8	11.6	4.0
Other capital and errors and emissions	12.0	-21.6	2.8	1.8	-9.8
Overall balance (deficit -)	6.4	-16.7	-8.7	0.9	-24.4
Financing (decrease -)	-6.4	16.7	8.7	-0.9	24.4
Payments arrears (decrease -) ^{2/}	--	--	0.4	2.6	-1.2
Net foreign assets of the Central Bank (increase -)	-6.4	16.7	8.3	-3.5	7.2
Assets	-6.4	16.7	8.3	-3.5	7.2
Liabilities	--	--	--	--	--
Of which: Use of Fund credit	--	--	--	--	--
Exceptional financing	--	--	--	--	18.4
Financing gap	--	--	--	--	--
(In percent of GDP)					
Memorandum items					
Imports for domestic use	42.1	44.4	41.8	39.3	35.8
Exports of locally produced goods	3.7	3.3	2.6	4.0	2.7
Imports by French army ^{3/}	27.7	24.9	46.2	30.2	30.7
Current account (including official transfers)	-4.6	-15.2	-6.6	-8.2	-2.5
Current account (excluding official transfers)	-24.4	-33.0	-25.0	-21.2	-17.9
Outstanding debt	38.5	45.0	52.8	57.0	54.0
Debt service payments (in percent of exports of locally produced goods and nonfactor services)	5.0	6.4	5.1	6.1	7.4
Debt stock (in percent of exports of locally produced goods and nonfactor services)	90.2	120.6	130.1	146.4	143.6
Official reserves					
In millions of U.S. dollars	100.0	83.4	75.0	71.4	71.0
In number of months of imports (domestic use)	6.3	4.8	4.6	4.9	4.8

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

^{1/} Data are not strictly comparable with those in previous reports due to changes in coverage.

^{2/} The reduction in arrears is mostly accounted for by public enterprises.

^{3/} This information is provided to facilitate comparison with previous reports, where imports by the French Army were included as both imports and exports.

Table 37. Djibouti: Direction of Trade, 1991-94 ^{1/}

	1991	1992	1993	1994
I. Imports				
Industrial countries	51.4	52.0	47.8	41.7
France	16.3	15.4	13.8	13.7
United Kingdom	10.0	10.3	9.7	5.6
Italy	5.2	6.1	5.8	5.9
Japan	6.5	6.5	5.0	4.7
Netherlands	3.6	3.5	3.5	3.7
Other countries	9.7	10.2	10.0	8.1
Africa	5.6	5.4	5.9	8.1
Of which: Ethiopia	5.1	4.9	5.4	6.4
Asia	25.6	26.1	27.5	29.3
Taiwan Province of China	2.8	2.7	3.0	2.2
Korea	5.7	5.8	6.5	0.0
Singapore	3.1	3.0	3.5	2.8
Thailand	7.4	6.9	8.1	13.8
Other countries	6.5	7.6	6.5	10.5
Middle East	15.3	14.6	16.7	18.0
Bahrain	6.1	5.8	7.1	2.1
Saudi Arabia	7.2	6.9	7.5	12.4
Other countries	2.0	1.9	2.1	3.5
Other	2.1	1.9	2.0	2.9
Total	100.0	100.0	100.0	100.0
II. Exports	100.0	100.0	100.0	100.1
Industrial countries	10.2	4.8	4.2	3.7
Africa	67.4	69.2	70.8	73.2
Somalia	42.7	45.5	48.4	39.0
Ethiopia	24.7	23.7	22.4	34.2
Middle East	22.3	22.0	22.2	21.4
Yemen, Republic of	21.8	21.4	21.7	20.8
Saudi Arabia	0.5	0.6	0.5	0.6
Other	0.1	4.0	2.8	1.8
Total	100.0	100.0	100.0	100.0

Source: IMF, Direction of Trade Statistics.

^{1/} Based on data of trading partner countries.

Table 38. Djibouti: Domestically Consumed Imports Classified by
Main Product Groups, 1991-95

(In millions of Djibouti francs)

	1991	1992	1993	1994	<u>June</u> <u>1995</u>
Food and beverages	9,642	9,579	9,812	9,733	5,340
Tobacco	1,000	915	1,069	935	149
Khat ^{1/}	2,242	2,920	3,895	4,823	2,274
Minerals	489	373	322	333	44
Petroleum products	3,524	3,142	2,895	2,778	1,500
Chemical products	2,342	2,651	2,584	2,449	1,288
Plastic products	741	590	638	547	229
Paper products, newspapers, books	887	891	918	763	461
Clothing and footwear	5,246	3,871	4,120	3,530	2,026
Stone, cement, ceramic, and glass products	318	675	468	436	179
Wood, wood products, and furniture	950	1,014	961	996	275
Metals and metal products	2,416	2,469	1,735	1,673	801
Machinery and electric appliances	3,862	5,039	5,136	4,212	2,517
Vehicles and transport equipment	2,703	3,205	2,968	2,566	1,349
Other products	673	541	611	487	302
Other transactions	1,067	985	1,093	1,705	361
Total	37,035	37,875	38,132	36,261	18,733
Total (including other transactions)	38,102	38,860	39,225	37,966	19,094

Sources: Data provided by the Djiboutian Authorities; and staff estimates.

^{1/} 1995 estimate

Table 39. Djibouti: External Debt, Debt Service Payments,
and International Reserves, 1991-95

(In millions of U. S. dollars)

	1991	1992	1993	1994	Prel. 1995
Medium- and long-term debt	175.3	211.6	248.9	277.7	267.0
Bilateral loans, of which	81.3	90.8	82.5	94.6	80.1
France	6.5	6.6	9.2	9.2	9.1
Italy	21.8	25.6	29.6	35.3	34.9
Kuwait	23.7	23.7	23.8	27.4	27.1
Saudi Arabia	22.2	26.1	12.1	14.4	8.1
Multilateral loans, of which	94.0	120.8	166.3	183.1	187.0
African Development Fund	32.6	41.2	52.8	57.9	60.4
Arab Fund for Economic and Social Development	18.1	16.1	15.0	14.5	14.3
International Development Association	30.1	33.1	39.6	41.1	43.8
Amortization	7.6	7.0	6.8	8.2	28.3
Disbursements	22.6	43.4	43.6	34.4	18.9
Long-term interest payments	2.1	4.3	2.9	3.4	3.8
International Reserves	100.0	83.4	75.1	78.6	71.4
Foreign exchange	98	80.3	74.9	78.5	71.4
SDRs	0.3	0.2	0.2	--	--
Reserve position in the Fund	1.8	2.9	--	--	--
Memorandum items:					
External debt as percent of GDP	38.5	45.0	52.8	57.0	54.0
Total debt service in percent of exports of locally produced goods and nonfactor services	5.0	6.4	5.1	6.1	7.4
Stock of external arrears (in millions of U.S. Dollars)	--	--	0.38	2.97	1.80
External debt	--	--	0.22	2.35	1.09
Bilateral debt	--	--	0.22	0.22	0.44
Multilateral debt	--	--	--	2.13	0.64
Suppliers	--	--	0.16	0.62	0.71
Average interest rate on total debt (in percent)	1.21	2.03	1.16	1.22	1.39

Sources: Data provided by Djibouti authorities; and the World Bank Debtor Reporting System; and staff estimates.

Table 40. Djibouti: Exchange Rate Data, Period Averages, 1990–95

	Nominal Effective Exchange Rate (1980=100)	French Franc per US\$	French Franc per Djibouti Franc	US\$ per SDR
1990 Q1	106.21	5.74	0.032	1.316
Q2	106.78	5.64	0.032	1.311
Q3	101.88	5.34	0.030	1.371
Q4	96.47	5.06	0.028	1.433
1991 Q1	98.41	5.21	0.029	1.415
Q2	106.21	5.88	0.033	1.338
Q3	106.34	5.93	0.033	1.337
Q4	101.27	5.55	0.031	1.385
1992 Q1	100.65	5.51	0.031	1.389
Q2	100.50	5.44	0.031	1.390
Q3	94.69	4.96	0.028	1.453
Q4	99.11	5.26	0.030	1.404
1993 Q1	102.51	5.55	0.031	1.376
Q2	99.26	5.46	0.031	1.413
Q3	101.60	5.81	0.033	1.403
Q4	102.85	5.92	0.033	1.373
1994 Q1	103.09	5.86	0.033	1.388
Q2	100.29	5.69	0.032	1.415
Q3	96.30	5.35	0.030	1.458
Q4	95.74	5.31	0.030	1.467
1995 Q1	94.08	5.17	0.029	1.493
Q2	...	4.92	0.028	1.566
Q3	91.75	4.95	0.028	1.517
Q4	93.29	4.93	0.028	1.493

Sources: IMF, Information Notice System; and International Financial Statistics.

Djibouti: Summary of the Tax System
(as of February 29, 1995)

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
1. <u>Taxes on Income, Profits, and Capital Gains</u>			
1.1 <u>Individual</u>			
- Tax on wages and salaries	A progressive monthly tax levied on all wages, benefits, and pensions paid in Djibouti. The tax, payable by the employee, is withheld from wages and salaries.	Exemptions: Monthly wages below DF 25,000 Certain allowances and reimbursements of actual occupational expenses.	Monthly assessable income Rate DF 25,000 - 30,000: 2% DF 30,000 - 100,000: 6% DF 100,000 - 200,000: 10% DF 200,000 - 400,000: 14% DF 400,000 - 600,000: 19% DF 600,000 - 800,000: 25% over DF 800,000 32%
- Patriotic contribution 1/	A flat monthly tax levied on all Djiboutian wages and salaries.	Total of wages, benefits, and pensions less than DF 60,000 per month.	10 percent of taxable income
1.2 <u>Corporate</u>			
- Tax on professional earnings	Levied on profits and similar income of members of the professions and on the remuneration of business operators with a controlling interest in their companies.	Exemptions: Net profits of less than DF 600,000 a year, or annual turnover below DF 5 million for lump sum tax regime.	20 percent of profits 20 percent of the amounts paid, after deduction of 10 percent.
- Tax on business profits of individuals	Levied on the profits of unincorporated industrial, commercial, or craft enterprises.	Exemptions: Net profits below DF 600,000 a year As provided for in Investment Code Income from real estate Annual turnover below DF 50 million for lump sum tax regime	20 percent of net taxable annual profits
- Tax on company profits	Levied on the profits of joint-stock companies, cooperatives, and partnerships (including government-owned enterprises, mixed-economy enterprises, and industrial or commercial public enterprises).	Exemptions: Income from real estate As provided for in Investment Code.	20 percent of net taxable annual profits

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
	The following three categories of taxpayers are subject to a system of estimated payments pending determination of their assessable profits for purposes of the income and profits tax (see 1.3 or 1.4 [sic]): itinerant enterprises; livestock importers; and qat importers.		<u>Charchari:</u> 10 percent of c.i.f. price of imported merchandise plus indirect duties <u>Livestock importers:</u> DF 800 per sheep or goat DF 1,000 per head of cattle <u>Qat importers:</u> DF 100 per kilogram of qat
1.3 <u>Other Unallocated Taxes on Income, Profits, and Capital Gains</u>			
- Tax on real estate capital gains	Levied on buildings upon transfer and payable by transferrer. Same for land without buildings.	<u>Exemptions:</u> Principal residences Real estate assets of enterprises Sales below DF 100,000	5 percent of net capital gain
2. <u>Taxes on Property</u>			
2.1 <u>Recurrent Taxes on Immovable Property</u>			
- Real property tax on buildings	Assessed on the annual rental value of the property beginning with the sixth year following the year of building completion. Buildings may be exempted for a maximum of ten years after completion under the Investment Code.	<u>Exemptions:</u> Public buildings Religious and sports facilities Industrial facilities (Investment Code) <u>Deductions:</u> 20 percent of rental value for amortization, maintenance, and insurance. <u>Exemptions:</u> Government property Land used for schools, sports, humanitarian, or social welfare purposes Agricultural land in farming use outside urban areas Land owed by international organizations, embassies, and consulates of accredited countries	21 percent of net taxable income (rental value less 20 percent)

Djibouti: Summary of the Tax System (continued)

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
- Real property tax on unbuilt land	Levied on unbuilt land, on the land under buildings temporarily exempt from the real property tax on buildings during the exemption period, and on vacant land belonging to a building to the extent that it exceeds three times the built-on area.		21 percent of rental value
- Tax on undeveloped real property	Levied on real property not recorded as being in use by January 1 of the tax year, or no longer in use for a period of over five years.	<u>Exemptions:</u> Public property Agricultural plots Lots belonging to international organizations, embassies, and consulates of accredited countries	5 percent of assessed value
- Garbage removal tax	Levied yearly from the owners, users, or principal tenants of real property on the same basis as the real property tax on buildings.	<u>Exemptions:</u> Industrial enterprises Buildings in governmental use Buildings without garbage removal services	4.5 percent of rental value after 20 percent deduction
2.2 <u>Taxes on Financial and Capital Transactions</u>			
- Registration duty	Payable on documents under private seal, public civil documents, judicial documents, verbal leases, and transfers <u>inter vivos</u> or <u>causa mortis</u> <u>Prorated duty</u> applies to all legal documents involving obligation, release, condemnation, placement or payment of money or securities, transfers of real and movable property, and insurance premiums. A <u>fixed duty</u> is collected on all other legal documents. A <u>progressive duty</u> is payable on transfers <u>inter vivos</u> or <u>causa mortis</u>.	<u>Exemptions:</u> Transactions to which the Government is a party Investment Code approvals Miscellaneous (see Registration and Stamp Duty Code) Annual lease less than DF 300,000.	<u>Prorated duty:</u> 5 percent and 10 percent <u>Fixed duty:</u> 1st category: DF 2,000 DF 6,000 2nd category: DF 2,000 DF 4,000 DF 6,000 <u>Progressive duty:</u> See Registration Code schedule

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
- Recordation duty	Levied on the provisional or definitive grant or the conveyance of real property, and for the registration or cancellation of mortgages. Subrogation of mortgages is not subject to the duty. Definitive grants are subject to prior assessment.	<u>Exemptions:</u> The Government Investment Code approvals	<u>Recordation:</u> provisional: 4 percent of the price set by the Government definitive: 2 percent of assessed value <u>Conveyance:</u> 2 percent of assessed value <u>Mortgage:</u> registration: 2 percent cancellation: 2 percent
3. <u>Domestic Taxes on Goods and Services</u>			
3.1 <u>Taxes on Specific Services</u>	Levied upon filing of applications for construction permits with the Ministry of Public Works, Town Planning, and Housing.	<u>Exemptions:</u> Government buildings Investment Code approvals	1.5 percent of planned construction cost
- Tax on construction permits			
- Gambling levy			30 percent of the gross proceeds from gambling
3.2 <u>Taxes on Use of Goods or on Permission to Use Goods or to Perform Activities</u>			
- <u>Patent</u> (business license duty)	Payable by all persons engaged in an industrial or commercial activity within Djibouti. A special annual <u>patent</u> is levied on industrial, commercial, or agricultural companies head-quartered in Djibouti but operating mainly abroad. The same applies to holding companies and financing companies headquartered in Djibouti. For collection purposes, a distinction is made between the regular <u>patent</u> and the prepaid <u>patent</u> . The official assessment for the latter is used only to finalize the amount; they apply mainly to business of an itinerant nature (e.g., traveling salesmen). (Excludes the surcharge of 7.5 percent levied for the International Chamber of Commerce and Industry.)	<u>Exemptions:</u> The Government and public enterprises Certain occupations (e.g., midwives, fishermen) As provided for in the Investment Code; the term and conditions of the exemption are set forth in the approval decision. Importer <u>patents</u> are not required for transshipment, transit, provisioning, and fueling of ships and aircraft or for re-export.	The <u>patent</u> is made up of a fixed duty and a prorated one, both specified for each industry in the general schedule of <u>patents</u> . <u>Fixed duty:</u> Set for each enterprise carrying out operations subject to the <u>patent</u> . Persons engaged in various kinds of business through a single enterprise pay the <u>patent</u> only on the operations subject to the highest duty, except where the operations are defined as not consistent for purposes of taxation (<u>non cumulables</u> (NC)); (e.g., an importer's <u>patent</u> : NC).

Djibouti: Summary of the Tax System (continued)

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates																						
			<u>Prorated duty:</u> Based on the rental value of the premises, whatever their type, in which the occupations subject to the duty are performed.																						
- License fees	Payable for the entire calendar year by all persons authorized to sell beverages. The amount depends on the type of establishment and on its hours and location.		<table><tr><th>Class</th><th>Rate</th></tr><tr><td>1 A:</td><td>DF 350,000</td></tr><tr><td>1 B:</td><td>DF 290,000</td></tr><tr><td>2 A:</td><td>DF 230,000</td></tr><tr><td>2 B:</td><td>DF 190,000</td></tr><tr><td>3:</td><td>DF 120,000</td></tr><tr><td>4:</td><td>DF 100,000</td></tr><tr><td>5:</td><td>DF 100,000</td></tr><tr><td>6:</td><td>DF 15,000</td></tr><tr><td>7:</td><td>DF 1,500</td></tr><tr><td>8:</td><td>DF 120,000</td></tr></table>	Class	Rate	1 A:	DF 350,000	1 B:	DF 290,000	2 A:	DF 230,000	2 B:	DF 190,000	3:	DF 120,000	4:	DF 100,000	5:	DF 100,000	6:	DF 15,000	7:	DF 1,500	8:	DF 120,000
Class	Rate																								
1 A:	DF 350,000																								
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3:	DF 120,000																								
4:	DF 100,000																								
5:	DF 100,000																								
6:	DF 15,000																								
7:	DF 1,500																								
8:	DF 120,000																								
- Market tax	For permits to sell at retail in a market.		Covered market: DF 10 per day Covered stalls: DF 210 per month Pavilion: Full place--DF 2,000 per month Half place--DF 1,000 per month																						
- Weights and measures duty	Annual duty levied by the Economic Affairs and Prices Service.		DF 100-5,000 per weighing or measuring device																						
- Drivers' license and registration fee	Specific fees apply to the issue of drivers' licenses, registrations, and transfer authorizations.		<u>Driver's license:</u> Issue: DF 7,000 Change: DF 7,000 Duplicate: DF 5,000 <u>Registration:</u> DF 4,500 per HP (DF 90,000 maximum)																						
- Differentiated motor vehicle fee	Levied on all motor vehicles.		1-4 HP DF 10,000 5-9 HP DF 18,000 10-20 HP DF 24,000 Over 20 HP DF 30,000																						
- Recreational boat registration fee	Levied annually on boat owners in accordance with engine size.	<u>Exemptions:</u> Professional fishermen Dhows	DF 500 per actual HP																						

Djibouti: Summary of the Tax System (continued)

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
3.3 <u>Domestic consumption tax</u> (TIC)	Levied on all goods imported into and consumed in Djibouti.	<u>Exemptions:</u> Diplomatic privileges Investment Code approval Special agreements Specific decrees or <u>arrêtés</u> Certain products as provided for in the Tariff Law	<u>Base:</u> c.i.f. value or reference value <u>Standard rates:</u> 10 percent 20 percent (valeurs mercuriales) <u>Luxury goods:</u> 33 percent
	Vegetable oil, sugar, food paste, powder milk.		<u>Rate:</u> 10 percent
- Dairy product tax	Levied on imports of: Milk and cream (fresh, nonconcentrated, unsweetened) Condensed milk (sweetened and unsweetened) Other milk products (yoghurts) miscellaneous beverages containing milk (chocolate milk)	<u>Exemptions:</u> Milk for children or medical use	DF 70 per kilogram DF 70 per kilogram DF 160 per kilogram DF 70 per kilogram
- Fruit juice tax	Levied on imports of: Citrus juices Tomato juice Other fruit juices Other carbonated flavored beverages		DF 160 per kilogram DF 160 per kilogram DF 160 per kilogram DF 160 per kilogram
- Meat inspection tax	Levied for inspection of meat and other imported foodstuffs of animal origin.		Meat, fish, cheese,,yogurt, honey: DF 100 per kilogram Milk, eggs: DF 20 per kilogram
- Mineral water tax	Levied on imported mineral water.		DF 14 per liter
- Alcohol surtax	Levied on alcohol, alcoholic beverages, perfumes, and similar products.	<u>Exemptions:</u> Denatured alcohol Nondenatured ethanol, 80° or higher, for medicinal use	Table wines: Df 50 per liter Other wines: 80 percent of c.i.f. value Other alcoholic beverages: DF 2,350 per liter of alcohol content Toiletries: DF 300 per liter of alcohol content Perfumes: DF 2,500 per liter of alcohol content.

Tax	Nature of Tax	Exemptions and Deductions	Assessment Base and Rates
- Petroleum products surtax	Levied on imported petroleum products.	<u>Exemptions:</u> butane	Regular and premium gasoline: DF 24.50 per liter Gas oil: DF 3 per liter Other: DF 2 per liter
- Qat surtax	Levied on all qat imports for local consumption		DF 750 per kilogram gross weight.
- Tobacco surtax	Levied on all tobacco imported for domestic consumption		DF 20,000 per carton.
<u>Taxes on International Trade and Transactions</u>			
4.1 <u>Export Duties</u>			
- TIC on re-exported tobacco and alcohol	Levied on tobacco and alcohol in transit and re-exported by sea, air, or land.	<u>Exemptions</u> Loaded on ships of 200 tons and more Loaded on wagons inside the port area Accompanied by documentation showing an agreed destination.	10 percent of c.i.f. value
4.2 <u>Other Taxes on International Trade and Transactions</u>			
- Health certificate	Issued at import, export, and transit of livestock on the hoof and of leather and hides.		<u>Livestock:</u> Cattle and camels: DF 1,000 per head Sheep and goats: DF 200 per head <u>Leather and hides:</u> DF 6,000 per ton
- Nonresident tax	Levied on compensation paid to individuals and corporations not domiciled in Djibouti. Taxable compensation consists of: remuneration paid for services of any kind rendered or used in Djibouti; royalties received for use of copyright, patents, trademarks, and similar intellectual property.	<u>Exemptions:</u> International transport operations and related services Charter and repair of vessels and aircraft used in international transport Equipment installation costs.	10 percent of gross compensation

Djibouti: Summary of the Tax System (concluded)

Tax	Nature of TaxExemptions and Deductions	Assessment Base and Rates
5. <u>Other Duties and Taxes</u>		
5.1 <u>Stamp Taxes</u>		
- Stamp duty	Required on all civil, judicial, and extrajudicial documents and all legal deeds and writs. Passports, visas, and alien identity cards are subject to stamp duty.	<u>Exemptions:</u> Diplomatic corps and international organizations on their leases Miscellaneous (see Registration and Stamp Tax Code) DF 500 per sheet <u>Note 1:</u> A 15 percent ad valorem duty applies to insurance premiums <u>Note 2:</u> Passports, visas, and alien identity cards: DF 1,500-20,000

Source: Information provided by the Djibouti authorities.

1/ A temporary tax introduced in 1992 to finance exceptional expenditures associated with the general mobilization. It currently applies to all wage earners. For government and public enterprise employees, it is called budget withholding.

Djibouti - Public Agencies and Enterprises

1. Social security agencies

Caisse Nationale de Retraite, CNR, Ministry of Finance
Caisse des Prestations Sociales, CPS, Ministry of Labor
Coopérative Militaire de Retraite, Ministry of Defense
Service Medical Inter-entreprises, SMI, Ministry of Labor

2. Public agencies

Institut Scientifique d'Etudes et de Recherches, ISERST,
Presidency
Palais du Peuple, Presidency
Chambre de Commerce International de Djibouti, CCID,
Ministry of Commerce
Office National d'Approvisionnement et de Commercialisation,
ONAC, Ministry of Commerce, Transport and Tourism
Etablissement Public des Hydrocarbures, EPH, Ministry of
Commerce
Office National des Réfugiés et Sinistrés (ONARS) - Presidency
Central Regional Inter-Linguistique (CRIL) - Ministry of Education
Office National de Tourisme et l'Artisanat

3. Nonfinancial public enterprises

Electricité de Djibouti, EdD, Ministry of Industry
Office National des Eaux de Djibouti, ONED, Ministry of Industry
Aéroport International de Djibouti, AID, Ministry of Commerce
Port Autonome International de Djibouti, PAID, Ministry of
Transport and Telecommunications
Office des Postes et Télégraphes, OPT, Ministry of Interior
Société des Télécommunications Internationales, STID,
Ministry of Interior
Chemin de Fer Djibouti-Ethiopien, CDE, Ministry of Commerce, and
the Government of Ethiopia
Société Hotelière de l'Etat, Ministry of Commerce
Société des Eaux de Tadjourah, Ministry of Industry
Société Immobilière de Djibouti, SID, Presidency and Ministry of
Public Works
Laiterie de Djibouti, LDJ, Ministry of Industry
Magasins Généraux, Chamber of Commerce
Société Aliments Bétail, (SAB), Ministry of Agriculture

4. Financial public enterprises

Banque Nationale de Djibouti, BND
Banque de Développement de Djibouti, BDD

Djibouti: Institutional Aspects of Monetary Management 1/

The following provides background information on the main features of monetary management in Djibouti. It focuses primarily on the issues relating to the currency board arrangement (CBA), namely the role of the Central Bank and monetary policy; lending policy to the Government; the interbank money market; the determination of interest rates; and the state of banking supervision.

1. Djibouti's CBA

CBA was introduced for the Djibouti Franc in March 1949 by the French authorities. At that time, money issue for the Côte Française des Somalis was transferred from the Banque d'Indochine to the Djibouti Treasury and the Djibouti Franc was linked to the U.S. dollar. 2/ The aim was to equip Djibouti with a strong convertible currency in order to boost its development as a transit center for regional trade. The U.S. dollar-Djibouti Franc parity was established on the basis of the gold value of the Djibouti Franc at that time, that is DF 214.4 per U.S. dollar. To demonstrate its attachment to the CBA, the Djibouti authorities chose not to allow the Djibouti Franc to depreciate with the U.S. dollar in 1971 and 1973 and revalued their currency twice on the basis of its gold definition. Since then the Djibouti Franc has remained unchanged at DF 177.721 per U.S. dollar.

The guarantee to exchange Djibouti Franc is provided by the National Bank of Djibouti (NBD) and covers bank notes only. The NBD is required to hold on account at the French American Banking Corporation in New York foreign exchange in U.S. dollars equivalent to 100 percent of the currency issue, implying that currency cannot be issued even against government domestic assets. In practice, the NBD holds about 125 percent of currency cover as a precaution against contingencies. 3/ To reduce handling costs of small-scale transactions, access to the currency board is limited to commercial banks.

1/ Prepared by Eric Bell.

2/ The choice of the U.S. dollar as the peg for the Djibouti Franc was based on three factors: (i) the role of the U.S. dollar in post-World War international trade; (ii) the weakness of the French Franc--to which the Djibouti Franc was linked until that time--which had been declared ineligible by the Fund until 1953; and (iii) it provided an acceptable option to avoid linking the Djibouti Franc to the Pound Sterling which had traditionally had a major role in the region.

3/ Although not required by the CBA, commercial banks hold deposits at the NBD, representing about 4 percent of currency in circulation. These reserves are not remunerated and are held for the purpose of settling interbank payments.

2. The National Bank of Djibouti: functions and role

In contrast with other countries having similar arrangements, Djibouti's exchange rate arrangement was already in place when the Central Bank was established. This chronology of events has had the effect of establishing greater importance to the exchange rate arrangement than to the Central Bank. The NBD was established in April 1979 on the basis of a law passed in December 1977. The law gave wide-ranging authority to the NBD, including to carry out all types of monetary policy functions. In practice, however, this authority has never been exercised, and the NBD only provides logistic support to the financial sector. Its most important function is to ensure that the CBA is fully respected which is a privilege transferred from the Treasury by the 1977 law. The NBD is custodian of the Government's foreign exchange reserves and ensures the efficient operation of the interbank payments system. It manages two data bases in support of banking operations in Djibouti: (i) the "Centrale des Chèques", centralizes information on unfunded checks in the banking system; and (ii) the "Centrale des Risques", centralized information on client exposure. The NBD is also responsible for granting licenses to new banks and the supervision of banking activity in general.

Given its limited role in the Djibouti economy, the NBD has always maintained a minimal staff. Thirty employees work in five departments: cash issue, research, accounting, internal audit, and bank supervision. This minimal staff policy is the result of a deliberate policy, contrasting sharply with the situation in commercial banks and public enterprises which are relatively overstaffed.

3. Monetary management and NBD lending

The authorities do not carry out any active monetary policy and the NBD does not have any of the conventional instruments of monetary policy. The December 1977 law allows the NBD to impose reserve and cash ratios on commercial banks and to lend to commercial banks. However, none of these legal powers have ever been exercised. In the view of the Djibouti authorities, monetary interventions would not be able to influence domestic interest rates significantly because of perfect capital mobility and the narrowness of Djibouti's economy. In addition, such operations would imply using excess foreign exchange held by the NBD to alter high-powered money, thus undermining the main source of NBD financing. ^{1/} More importantly, the Djibouti authorities note that both prices and interest rates, which have moved closely with world levels in the past, have been sufficiently flexible to make the necessary adjustments to monetary shocks. In this context, the NBD has not developed personnel expertise in monetary programming and monetary policy formulation.

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^{1/} Djibouti has been able to draw about US\$2.6 million of seignorage revenues (0.7 percent of GDP) from the U.S. dollar over 1994-95.

The December 1977 law allows the NBD to lend to the Government but only following a special authorization from the Council of Ministers and the signing of a loan agreement between the Treasury and the NBD. Such lending has however never occurred. Commercial banks however are allowed to lend to the Government. Such lending remained limited over the years until 1994 when, due to the deteriorating budgetary situation, the NBD, for the first time in its history, was required to provide guarantees to Bank El-Baraka for a loan of DF 1 billion to the Government. ^{1/} These operations were exceptional and should be viewed in the light of the fact that the NBD is not required to transfer its surpluses to the Government on a regular basis. In July 1995 the Treasury closed all its deposit accounts held in commercial banks; it now holds only one deposit account at the NBD.

4. The interbank money market and interest rates

There are four commercial banks in operation in Djibouti, all foreign-owned, with two of them having a small equity participation from the Djibouti Government. They include the Banque du Commerce International (BCI), the Banque Indosuez (BIS), both French international banks established in Djibouti since the early 1900's; the Commercial Bank of Ethiopia (CBE); and the El-Baraka Bank, which is Saudi-owned and practices Islamic banking. They all have a strong regional character that has emerged on the grounds that the Djibouti authorities have consistently promoted full capital mobility and abstained from interfering in banking activity.

The domestic interbank money market is very limited, almost nonexistent. Domestic banks rarely lend to each other in Djibouti Franc because the currency is available on demand from the NBD against foreign exchange. As a result, most transactions between banks are settled through accounts in foreign countries. Some settlement is made through accounts held at the NBD. In fact, banks hold sizeable amounts of Djibouti Franc at the NBD because the latter does not permit overdrafts and does not lend to banks. The domestic interbank money market is also very compartmentalized. The BIS and BCI, which together control 80 percent of the domestic bank market, lend to each other sporadically; however, neither lends to the CBE and El-Baraka, which are perceived to be of less reputable financial strength. Nevertheless, all four banks have well-established credit lines available from their head-quarters and gross foreign exchange cover at each of the banks is at least 70 percent of total deposits.

Interest rates are determined freely by the commercial banks and have always tracked U.S. dollar levels closely. Bank credit to the Government is extended at PIBOR plus 3 points, currently 11 percent, and lending between the BIS and BCI takes place at international market rates. In general, sight deposits are not remunerated and term deposits currently earn interest of 3-4 percent annually. Bank lending rates are relatively high, at 12.5-18.0 percent per annum, which is attributed to several factors. First, the

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^{1/} The same year the BCI lent DF 1.5 billion to the Government that was guaranteed by the Government's equity in the capital of that bank.

risk premium is reported to be quite high given the political uncertainties endemic to the region and, more recently, the deteriorating financial situation of the budget and public enterprises in Djibouti. Second, banks have high operational costs due to the high levels of wages, the lack of flexibility in labor management, and the relatively high rate of loan default. An additional reason is the slowness of the judicial process. Still, the risk premium compares favorably with other countries such as Lithuania and Argentina which have CBAs. ^{1/}

5. Bank supervision and bank failures

The NBD maintains financial stability by ensuring that only reputable international banks operate in the country. Bank supervision in Djibouti is passive and minimal. There is only one staff supervising banks and there is no on-site inspection. The NBD does not have qualified staff to exercise this function, which is particularly difficult because of the regional character of these banks. ^{2/} Djibouti's banks are well established international banks of good standing and the NBD relies on the central bank of their home country to guarantee their soundness. Nevertheless, the NBD monitors the evolution of prudential ratios for these banks. The ratio of capital to weighted risk assets is in the range of 14-19 percent for the BIS and El-Baraka, and more than 25 percent for the BCI and CBE, compared with a legal minimum ratio of 5 percent currently. A February 1985 decree allows the NBD to impose limits for foreign exchange exposure of banks, maximum ratios for the concentration of bank credit, but none of these are in place. Banks maintain a reserve/deposit ratio of about 3 percent.

Nevertheless, Djibouti's banking system has not been immune from bank failures. Several commercial banks have failed since the 1980's and the activities of two banks have been frozen since 1991. First, the Commercial Savings Bank of Somalia ceased operations in 1991 following the collapse of Somalia. Second, in the wake of the BCCI crisis, the Banque de Djibouti et du Moyen-Orient (BDMO)--a subsidiary of the Middle East Bank of Dubai--has been put under "Administration Provisoire" in April 1993 and its activities have been frozen. Both liquidations are being executed by a French auditing firm. Small private depositors have already all been fully reimbursed.

Over the years, the NBD has established a clear policy to address bank failures. First, banks are not rescued and guarantees from the parent banks are firmly established. Second, the NBD intervenes early in the process to ensure that the failing bank reimburses private depositors in priority. This policy, which indirectly acts as a deposit insurance scheme, is based on the premise that big depositors have more reliable information to decide

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^{1/} In Lithuania, for example, the interest rate spread is about 30 percent, and in Argentina lending rates remain about twice as high for Australs as for the U.S. dollar.

^{2/} The Commission Bancaire in France has started to train Djibouti nationals in banking supervision to assist the NBD in starting on-site bank supervision in 1996.

on their depository bank, and the priority given to private depositors (as opposed to public enterprises) serves to reinforce the policy of not according credit to the Government. The past bank failures reflect mainly the fact that their parent banks have also failed at the international level.

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