

TABLE OF COMMON INDICATORS REQUIRED FOR SURVEILLANCE

	Date of latest observation	Date received	Frequency of Data ⁶	Frequency of Reporting ⁶	Frequency of publication ⁶	Memo Items ⁷ :	
						Data Quality – Accuracy and reliability ⁹	Data Quality – Methodological soundness ⁸
Exchange Rates	5-Apr-07	5-Apr-07	D	D	D		
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	30-Mar-07	6-Apr-07	M	M	M		
Reserve/Base Money	30-Mar-07	6-Apr-07	M	M	M		
Broad Money	28-Feb-07	19-Mar-07	M	M	M		
Central Bank Balance Sheet	30-Mar-07	6-Apr-07	M	M	M		
Consolidated Balance Sheet of the Banking System	28-Feb-07	19-Mar-07	M	M	M		
Interest Rates ²	30-Mar-07	4-Apr-07	W	W	W		
Consumer Price Index	31-Mar-07	2-Apr-07	W	W	W		
Revenue, Expenditure, Balance and Composition of Financing ³ – General Government ⁴	30-Mar-07	9-Apr-07	M	M	M		
Revenue, Expenditure, Balance and Composition of Financing ³ – Central Government ⁴	30-Mar-07	9-Apr-07	M	M	M		
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	Dec-06	Feb-07	A	V	A		
External Current Account Balance	Dec-06	Feb-07	A	V	A		
Exports and Imports of Goods and Services	Dec-06	Feb-07	A	V	A		
GDP/GNP	Dec-06	Mar-07	A	V	A		
Gross External Debt	Dec-06	Feb-07	A	V	A		

¹ Includes reserve assets pledged or otherwise encumbered as well as net derivative positions.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A), Irregular (I); Not Available (NA).

⁷ These columns should only be included for countries for which a Data ROSC (or a Substantive Update) has been prepared.

⁸ Reflects the assessment provided in the data ROSC or the Substantive Update (published on ..., and based on the findings of the mission that took place during...) for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O), largely observed (LO), largely not observed (LNO), or not observed (NO).

⁹ Same as footnote 8, except referring to international standards concerning source data, statistical techniques, assessment and validation of source data, assessment and validation of intermediate data and statistical outputs, and revision studies.

Statement by the IMF Staff Representative
June 18, 2007

This statement sets out recent developments and key policy challenges. These developments do not alter the thrust of the staff assessment.

1. **Since issuance of the staff report for the staff monitored program (SMP), a mission visited Kinshasa to conduct discussions for the 2007 Article IV consultation.** A staff report on the discussions will be circulated in late July.
2. **Fiscal tightening since end-February means that key quantitative benchmarks for end-June are likely to be met.** The underlying fiscal surplus exceeded the program target by 0.8 percent of annual GDP during the first four months of 2007, reflecting mainly higher government revenue (oil revenue and profit taxes), and lower spending on goods and services, than anticipated.
3. **International reserves have increased sharply and inflation declined.** The central bank almost doubled international reserves (to 3 weeks of imports) in the three months to end-May reflecting the government reducing its net liabilities to the central bank and commercial banks' excess reserves declining. The increase is also due to the government continuing not to serve its external debt to the Paris Club. During the same period, the Congo franc appreciated by 12 percent against the US dollar, which helped bring annualized inflation down to 12 percent in April-May. These developments allowed the central bank to cut its base rate from 50 percent to 30 percent. Economic activity remains buoyant underpinned by major projects in mining.
4. **Discussions at the National Assembly on the draft 2007 budget suggest that the budgetary framework agreed under the SMP will not be adhered to.** The Economic and Financial Commission of the National Assembly may recommend a very large increase in revenue projections and a concomitant increase in expenditures—with salaries being among the main beneficiaries. The draft budget submitted to Parliament already deviated from the SMP framework by envisaging higher expenditure (0.3 percent of GDP; a budget submission in line with the SMP is a benchmark for end-May). The government increased spending mainly for goods and services and scholarships, while reducing budget appropriations required to cover the expected deficit of the central bank and the cost of the merger of the Union des Banques Congolaises (UBC), which is bankrupt, with the Banque Congolaise (BC).
5. **Implementation of structural reforms remains slower than envisaged.** None of the four structural benchmarks for end-May were fully met: in addition to the submission of the draft budget to the national Assembly, the government has just started publishing joint venture contracts signed by public enterprises; it rejected the first draft of the audit of the central bank's organization prepared by foreign consultants because it did not meet the terms of reference; and discussions on a plan to cover the cost of the mergers of the UBC and BC are ongoing. Progress has also been slow on benchmarks to be completed by end-June.