

Djibouti: Summary of Central Government Fiscal Operations, 2008–09
(In percent of GDP)

	2008		2009		
	Est.	Q1	EBS/08/105	Prog.	Q1
Revenues and grants	42.3	8.3	34.8	36.0	8.6
Tax revenue	20.2	6.0	18.6	19.4	4.9
Direct taxes	9.1	2.0	8.2	8.4	1.8
Indirect and other taxes	11.2	3.0	10.4	11.0	1.8
Nontax domestic revenues	2.7	0.4	2.1	3.7	0.8
Nontax external revenues 1/	6.1	0.8	5.8	5.6	0.9
Grants	13.2	1.1	8.3	7.4	1.9
Total expenditure	41.0	9.6	36.6	37.8	9.5
Current expenditure	27.0	6.6	24.4	23.1	5.2
<i>Of which:</i>					
Wages and related expenditure	12.8	3.5	10.9	12.4	3.4
Goods and services	9.5	2.1	6.0	6.0	1.0
Investment expenditure	14.0	3.0	12.3	14.7	4.3
Overall balance (commitment basis, including grants)	1.3	-1.3	-1.8	-1.8	-0.9
Change in arrears (cash payments = -)	-3.3	-0.7	-1.3	-1.3	-0.3
Overall balance (cash basis)	-2.0	-2.0	-3.1	-3.1	-1.2

Sources: Djibouti authorities; and Fund staff estimates and projections.

1/ Annual leasing fees from French (€30 million) and US (\$30 million) military bases.



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IMF Executive Board Completes the First Review of Djibouti's PRGF and Approves US\$ 2.3 Million Disbursement

The Executive Board of the International Monetary Fund (IMF) completed today the first review under the three-year Poverty Reduction and Growth Facility (PRGF) arrangement with Djibouti ([see Press Release 08/211](#)). The completion of the review enables the immediate disbursement of SDR 1.476 million (about US\$ 2.3 million), bringing the total amount disbursed under the program to SDR 5.34 million (US\$ 8.2 million).

The Board also approved the authorities' request for four waivers of nonobservance of performance criteria, and modification of performance criteria. The waivers were approved because the non-observance was minor (for the delay in the submission of the VAT law), temporary (for the accumulation of external arrears), and on the grounds of implemented corrective actions. These include the implementation of a single treasury account and the strengthening of administrative procedures to avoid an accumulation of new arrears to domestic public and private providers (for the accumulation of domestic arrears), and preventive measures to reduce the vulnerability of electricity supply, including by strengthening the financial position of the electricity company through reducing public arrears.

Following the Executive Board discussion, Mr. Murilo Portugal, Deputy Managing Director and Acting Chairman, stated:

“The implementation of the main monetary and fiscal measures envisaged under the PRGF-supported program has helped Djibouti sustain high economic growth and bring down inflation to single digits. Nevertheless, program implementation has been hampered by, among other things, weaknesses in administrative capacity, and the authorities are giving high priority to addressing such weaknesses.

“Adherence to the program's medium-term macroeconomic policies will be crucial. Observance of the fiscal consolidation path is particularly important. In order to strengthen Djibouti's fiscal and debt sustainability, additional revenue and expenditure measures are

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