

## Annex 1 - Macroeconomic Impact\*

*Overview.* The tsunami will have a major macroeconomic impact, much of which will become manifest over the next 6-12 months. The most likely effects in 2005 include: a significant weakening in economic performance, with low real GDP growth (estimated at 1%), a substantially larger current account deficit (maybe as large as the equivalent of one quarter of GDP, though reserves may remain largely unchanged depending on the availability of external financing), and a significant widening of the fiscal deficit (including grants) to over 10 percent of GDP. Lower demand and the small share of construction related materials in the Consumer Price Index (CPI) mean that price pressures as measured by the CPI are likely to be muted. Employment has been adversely affected by the tourism downturn, the loss of fishing vessels and equipment, the destruction of agricultural crops, and damage to other productive assets. Commercial banks are in the process of rescheduling loans to large commercial clients while the smaller micro and enterprise loans will require refinancing. For the larger assets, claims have been filed by the owners with insurance companies and these are expected to be paid over the next 6 months by the insurance companies either through their own resources or through reinsurance. Overall, the reconstruction effort may encounter constraints in financing, and bottlenecks in transportation and labor.

*Background.* Economic performance in the year leading up to the tsunami disaster on December 26, 2004 was strong, despite a substantial widening of the current account deficit. Real GDP growth is estimated to have accelerated to 9 percent in 2004, fueled by strong tourism growth. Tourist arrivals rose by about 13 percent to over 635,000, with knock-on effects in the rest of the economy. The construction sector also grew strongly, expanding by over 28 percent in 2004 with the development of 6 new resorts and other activities. Although the value of domestic exports and tourism receipts showed significant gains in 2004, the expansion of tourism and construction sharply raised imports (partly due to higher oil prices), leading to a widening of the current account deficit to about US\$90 million, equivalent to about 12 percent of GDP. Financing was sufficient to permit a small build in reserves. After falling by almost 3 percent in 2003, the consumer price index rose by over 6 percent in 2004, largely due to higher fish and food prices. Buoyant revenues from tourism helped narrow the overall fiscal deficit (including grants) from 3.3 percent of GDP in 2003 to 2.8 percent of GDP in 2004, even accounting for the impact of the public sector wage increase implemented in September 2004.

*The impact of the tsunami on growth* will depend largely on the evolution of tourism and fisheries. As of end-January, there are indications that tourist arrivals may be rebounding more quickly than previously anticipated. Most of the resorts did not sustain damages, and many of the damaged resorts have already been repaired. The GoM expects bed night capacity to recover to 95 percent of its pre-tsunami level by April, 2005, and 100 percent by the end of the year. Still, given that the slump in tourism is occurring in the months where occupancy is normally at its peak, the GoM is projecting a 25 percent decline in the tourism sector in 2005 relative to 2004. The fish catch is expected to remain largely unchanged in 2005, despite the loss of equipment and some vessels, because most of the larger vessels were not damaged and the surviving fleet is being used more intensively. A sharp expansion in other sectors, such as construction and government services, is likely to offset much of the negative growth effect stemming from the tsunami, but since tourism and fisheries account for about 40 percent of GDP, overall growth is likely to decelerate to about 1 percent in 2005, and may be negative, before returning to the pre-tsunami growth trajectory of between 6 to 8 percent growth in 2006.

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\* This Annex was prepared in close consultation with the Government of Maldives and the IMF.

*Worsening external balances.* The slowdown in the tourism industry may widen the current account deficit to the equivalent to 23% of GDP. Imports are projected to grow by about 13 percent in 2005, as lower tourism related imports are offset by increased imports of construction materials and some restocking. With fish landings remaining broadly unchanged, the loss of the garment industry is likely to cause a significant fall in exports.

*Financing and external debt.* The availability of external financing will also play an important role in determining what is feasible in terms of the extent and pace of reconstruction. Significant external resources are needed, including grants and loans to the government, as well as private funds, in order to finance the widening budget and current account deficits. A financing gap of about US\$70 million exist in the Balance of Payments; unless adequate foreign assistance is received to close this financing gap the Reserves will be severely impacted. Even if foreign assistance is substantially larger than these amounts, only a portion is likely to be given as grants. The government will need to be mindful of not running-up debt stocks to uncomfortable levels. New loans are likely to raise external public debt significantly, increasing from about 42 percent of GDP in 2004 to over 46 percent of GDP in 2005. Private funds associated with insurance payouts, equity investment, loans for resort reconstruction, and financing bank liquidity are also anticipated, amounting to about US\$100 million. Any shortfalls in financing could impose significant financing constraints and limit the pace of reconstruction.

*Public finances.* The impact of the tsunami on the fiscal position of the GoM is likely to be substantial, as spending needs rise while revenues are likely to fall. Preliminary revenue projections suggest that government receipts from the tourism bed-night tax, and duties on tourism related imports are likely to decline significantly. As a result, the GoM has decided to refrain from waiving import duties on resort reconstruction materials, or granting closed resorts relief from their resort lease rent obligations (the GoM will allow deferrals within 2005). Concomitantly, expenditure was projected to rise by about 25 percent in the 2005 budget prepared before the tsunami (in part due to the 39 percent average pay increase for all public sector employees). With safety net payments and public spending on relief, clean-up, and reconstruction, expenditures may rise even more. In an effort to contain rising expenditures, the GoM is considering deferring all capital investment projects that have not already been started, and the government is taking steps to reduce recurrent spending. Still, as already mentioned the overall budget deficit including grants is likely to widen to the equivalent of over 10 percent of GDP in 2005.

*Key measures* to mitigate the adverse macroeconomic impacts of the tsunami include:

- Providing income support to those affected by the tsunami and maintaining adequate liquidity in the atolls, as is being done through cash transfers.
- Helping the people in the atolls restore their livelihoods by financing the replacement of key assets and tools, and by employing local labor in rebuilding infrastructure.
- Encouraging the resumption of tourism activity by conveying a clear message to the rest of the world that (a) damages were limited to some islands, (b) key infrastructure, including the airport, is safe and functioning normally, and (c) the impact of the tsunami was minor on most of the resorts, which are open for business.
- Ensuring that the reconstruction effort is consistent with macroeconomic stability over the medium term, by containing the fiscal deficit, maintaining the fixed exchange rate, and preserving price stability.

*Summing up.* Provided adequate external finance is available, the recovery of tourism is swift, and the GoM continues to manage the economy prudently, including ensuring an adequate level of fiscal restraint, the macroeconomic impact of the tsunami can be mitigated to some extent. However, the evolution of the macro-economy remains uncertain, and the GoM will need to monitor key indicators carefully and be prepared to implement contingency measures as needed.

Table A.1: Key Economic Indicators

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
										Pre-Tsunami Forecast Est.	Post- Tsunami Forecast
<i>(Annual percentage change)</i>											
Growth and prices											
Real GDP	9.1	10.4	9.8	7.2	4.8	3.4	6.5	8.4	9.0	7.5	1.0
Consumer prices (period average)	6.2	7.6	-1.4	3.0	-1.2	0.7	0.9	-2.9	6.4	5.0	6.8
<i>(Percent of GDP)</i>											
Central government											
Revenue and grants	28.9	31.0	30.4	32.1	32.3	33.0	33.1	34.9	35.2	37.9	43.9
Of which: Grants	4.5	2.9	2.6	2.3	2.3	2.8	1.6	1.4	0.8	0.9	7.2
Expenditure and net lending	31.4	32.3	32.3	36.1	36.7	37.7	38.0	38.2	38.0	41.9	54.4
Of which: Capital spending	13.6	12.8	12.8	13.7	11.8	12.3	12.5	13.6	11.4	11.4	21.1
Overall balance	-2.5	-1.4	-1.9	-4.1	-4.4	-4.7	-4.9	-3.3	-2.8	-4.0	-10.5
Overall balance, excl. grants	-7.0	-4.2	-4.5	-6.4	-6.6	-7.5	-6.5	-4.6	-3.6	-4.9	-17.8
Financing											
Domestic	-0.5	-1.5	-0.1	3.2	4.3	2.8	0.4	-1.5	-1.4	1.3	-2.9
Foreign	3.0	2.9	2.0	0.8	0.0	1.9	4.5	4.7	4.2	2.7	4.8
<i>(Twelve-month percentage change at year-end)</i>											
Money and credit											
Domestic credit	-2.4	8.8	18.6	8.0	14.5	19.4	11.7	-5.8	31.7		
Public sector	-10.2	-15.1	9.2	14.1	23.3	7.0	6.5	-25.5	-26.0		
Central government, net	-10.6	-11.4	1.4	12.9	30.9	8.4	5.1	-19.6	-45.2		
Private sector	9.5	38.9	25.7	4.0	8.0	29.9	15.3	6.8	57.3		
Broad money	26.0	23.1	22.8	3.6	4.1	9.0	19.3	14.6	32.6		
<i>(In millions of U.S. dollars)</i>											
Balance of payments											
Current account	-7.4	-34.7	-21.9	-78.9	-51.5	-58.7	-35.7	-31.8	-90.3	-127.4	-187.8
(In percent of GDP)	-1.6	-6.8	-4.0	-13.4	-8.2	-9.4	-5.6	-4.6	-12.0	-14.7	-22.7
Trade balance	-185.6	-217.3	-215.9	-262.4	-233.3	-236.0	-212.4	-262.3	-368.8	-420.2	-478.7
Exports (1)	79.9	89.7	95.6	91.5	108.7	110.2	132.3	151.9	172.7	148.2	131.0
Imports	-265.5	-307.0	-311.5	-353.9	-342.0	-346.3	-344.7	-414.3	-541.5	-568.5	-609.8
Non-factor services, net	201.1	218.0	232.4	234.6	238.8	244.2	251.7	311.1	376.7	397.4	239.9
Official capital (net)	17.3	6.6	14.6	5.2	-1.9	7.8	26.8	33.8	27.2	29.1	40.0
Private capital (net) (2)	41.0	42.9	42.9	42.9	25.6	24.3	33.9	56.8	71.6	82.3	80.0
Errors and omissions (net)	-7.1	12.6	-6.6	23.6	19.9	5.2	14.9	15.5	16.0	0.0	0.0
Overall balance	43.7	27.4	29.1	-7.2	-7.9	-21.4	39.8	74.3	24.5	-16.0	-67.8
Gross official reserves (year-end)	77.6	99.7	119.9	128.5	124.1	94.3	134.5	161.0	205.1	189.3	205.1
(In months of the following year's imports of goods and non-factor services (NFS))	2.6	3.0	3.5	3.4	3.3	2.5	3.1	3.4	3.4	3.4	3.4
(In percent of short-term ext. debt)	572.9	781.5	745.7	308.4	252.1	209.3	252.5	419.7	419.7	419.7	419.7
External debt (year-end)	177.2	178.1	200.8	212.9	211.6	209.8	259.0	280.9	316.6	345.7	385.7
(In percent of GDP)	38.5	35.6	37.2	36.1	33.9	33.6	40.4	40.7	42.0	39.9	46.6
Debt service	11.8	27.9	16.3	19.0	22.1	22.0	23.3	22.9			
(In percent of exports of goods and NFS)	3.2	6.9	3.8	4.4	4.8	4.8	4.6	4.0			
Exchange rates											
Rufiyaa per US\$	11.77	11.77	11.77	11.77	11.77	12.24	12.80	12.80	12.80	12.80	12.80
NEER (percent change)	2.8	8.4	5.4	0.5	6.7	0.8	-6.4	-9.4			
REER (percent change)	6.5	14.0	2.3	2.6	3.4	-0.6	-6.6	-14.5			
Memorandum items:											
Nominal GDP (millions of rufiyaa)	5,301.0	5,981.8	6,356.9	6,935.4	7,348.4	7,650.8	8,201.0	8,842.0	9,639.2	11,085.1	10,603.1
Nominal GDP (millions of U.S. dollars)	450.4	508.2	540.1	589.2	624.3	625.1	640.7	690.8	753.1	866.0	828.4
GDP Per Capita (in U.S. dollars)	1800	1989	2071	2214	2300	2265	2284	2423	2603	2949	2779

Source: Ministry of Finance and Treasury, Ministry of Planning and National Development, Maldives Monetary Authority, IMF and staff projections.

(1) Includes re-exports.

(2) Estimated private capital inflows of US\$ 128.7 million to the tourist sector have been spread evenly over 1997-99.

Table A.2: Gross Domestic Product by Sectoral Origin

	1998	1999	2000	2001	2002	2003	2004	2005	
								Pre-Tsunami Forecast Est.	Post- Tsunami Forecast
<i>(In millions of rufiyaa at constant 1995 prices)</i>									
Gross Domestic Product	5648.2	6056.6	6345.5	6564.4	6992.8	7581.1	8263.4	8879.6	8342.3
Primary	578.8	599.2	595.2	625.5	724.8	738.3	759.6	790.3	758.8
Agriculture	165.5	168.8	174.7	181.4	188.6	188.6	196.3	204.6	194.4
Fisheries	373.8	388.1	381.2	402.4	494.7	498.0	507.7	527.8	507.7
Coral and sand mining	39.5	42.2	39.3	41.7	41.5	44.1	47.2	49.1	56.7
Secondary	801.2	900.5	914.9	989.0	1091.7	1173.5	1289.7	1348.6	1503.2
Manufacturing	435.4	483.3	505.1	532.4	615.1	627.5	638.2	613.4	625.4
Electricity and water supply	156.4	178.5	203.9	226.3	247.6	275.0	303.4	331.6	303.4
Construction	209.4	238.7	205.8	230.3	229.0	271.0	348.1	403.6	574.4
Tertiary	4493.5	4798.7	5084.6	5205.4	5448.8	5969.8	6546.2	7093.7	6433.2
Wholesale and retail trade	270.4	278.9	287.8	288.9	295.6	308.3	325.1	346.0	325.1
Tourism (Resorts, etc)	1854.2	1982.3	2094.0	2093.5	2162.6	2482.5	2766.2	2876.5	2074.6
Transport and communications	825.4	854.2	919.1	934.2	998.0	1078.8	1216.4	1310.4	1338.1
Financial services	194.3	208.6	215.1	220.4	235.1	251.4	269.3	286.2	282.8
Real Estate	460.6	483.9	496.7	507.4	530.7	550.3	571.2	596.4	594.1
Business services	166.1	178.3	183.9	188.4	201.0	211.3	222.4	236.4	231.3
Government Administration	590.5	677.8	750.7	833.0	883.9	943.0	1029.2	1293.2	1440.9
Education, health and social services	131.9	134.6	137.2	139.6	141.9	144.2	146.4	148.5	146.4
FISM	-225.2	-241.8	-249.3	-255.5	-272.5	-300.5	-332.1	-352.9	-352.9
<i>(Annual percentage change)</i>									
Gross Domestic Product	9.8	7.2	4.8	3.4	6.5	8.4	9.0	7.5	1.0
Primary	7.0	3.5	-0.7	5.1	15.9	1.9	2.9	4.0	-0.1
Agriculture		2.0	3.5	3.8	4.0	4.1	4.3	4.3	-5.0
Fisheries		3.8	-1.8	5.6	22.9	0.7	2.0	4.0	0.0
Coral and sand mining		6.8	-6.9	6.1	-0.5	6.2	7.1	4.0	20.0
Secondary	17.2	12.4	1.6	8.1	10.4	7.5	9.9	4.6	16.6
Manufacturing		11.0	4.5	5.4	15.5	2.0	1.7	-3.9	-2.0
Electricity and water supply		14.1	14.2	11.0	9.4	11.1	10.3	9.3	0.0
Construction		14.0	-13.8	11.9	-0.6	18.3	28.5	15.9	65.0
Tertiary	8.9	6.8	6.0	2.4	4.7	9.6	9.7	8.4	-1.0
Wholesale and retail trade		3.1	3.2	0.4	2.3	4.3	5.4	6.4	0.0
Tourism (Resorts, etc)		6.9	5.6	0.0	3.3	14.8	11.4	4.0	-25.0
Transport and communications		3.5	7.6	1.6	6.8	8.1	12.8	7.7	10.0
Financial services		7.4	3.1	2.5	6.7	6.9	7.1	6.3	5.0
Real Estate		5.1	2.6	2.2	4.6	3.7	3.8	4.4	4.0
Business services		7.3	3.1	2.4	6.7	5.1	5.3	6.3	4.0
Government Administration		14.8	10.8	11.0	6.1	6.7	9.1	25.7	40.0
Education, health and social services		2.0	1.9	1.7	1.6	1.6	1.5	1.5	0.0
<i>(Percent of GDP)</i>									
Primary	10.2	9.9	9.4	9.5	10.4	9.8	9.6	8.9	9.1
Agriculture	2.9	2.8	2.8	2.8	2.7	2.6	2.5	2.4	2.3
Fisheries	6.6	6.4	6.0	6.1	7.1	6.6	6.1	5.9	6.1
Coral and sand mining	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.7
Secondary	14.2	14.9	14.4	15.1	15.6	15.5	15.6	15.2	18.0
Manufacturing	7.7	8.0	8.0	8.1	8.8	8.3	7.7	6.9	7.5
Electricity and water supply	2.8	2.9	3.2	3.4	3.5	3.6	3.7	3.7	3.6
Construction	3.7	3.9	3.2	3.5	3.3	3.6	4.2	4.5	6.9
Tertiary	79.6	79.2	80.1	79.3	77.9	78.7	79.2	79.9	77.1
Wholesale and retail trade	4.8	4.6	4.5	4.4	4.2	4.1	3.9	3.9	3.9
Tourism (Resorts, etc)	32.8	32.7	33.0	31.9	30.9	32.7	33.5	32.4	24.9
Transport and communications	14.6	14.1	14.5	14.2	14.3	14.2	14.7	14.8	16.0
Financial services	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.2	3.4
Real Estate	8.2	8.0	7.8	7.7	7.6	7.3	6.9	6.7	7.1
Business services	2.9	2.9	2.9	2.9	2.9	2.8	2.7	2.7	2.8
Government Administration	10.5	11.2	11.8	12.7	12.6	12.4	12.5	14.6	17.3
Education, health and social services	2.3	2.2	2.2	2.1	2.0	1.9	1.8	1.7	1.8
Memorandum items:									
Nominal GDP (millions of rufiyaa)	6356.9	6935.4	7348.4	7650.8	8201.0	8842.0	9639.2	11085.1	10603.1
Nominal GDP (millions of US\$)	540.1	589.2	624.3	625.1	640.7	690.8	753.1	866.0	828.4
GDP per capita (US\$)	2071.0	2214.0	2300.0	2265.0	2284.0	2423.3	2602.7	2948.8	2778.9
GDP deflator (percent change)	2.0	1.7	1.1	0.6	0.6	-0.6	0.0	7.0	1.8
CPI (percent change, period average)	-1.4	3.0	-1.2	0.7	0.9	-2.9	6.4	5.0	6.8

Source: Ministry of Planning and National Development, IMF and staff projections.

Table A.3: Balance of Payments

	1998	1999	2000	2001	2002	2003	2004	2005		
							World Bank Est.	Pre-Tsunami Forecast	Post- Tsunami Forecast	
	<i>(In millions of U.S. dollars)</i>									
Current account balance	-21.9	-78.9	-51.5	-58.7	-35.7	-31.8	-90.3	-127.4	-187.8	
Trade Balance	-215.9	-262.4	-233.3	-236.0	-212.4	-262.3	-368.8	-420.2	-478.7	
Exports, f.o.b.	95.6	91.5	108.7	110.2	132.3	151.9	172.7	148.2	131.0	
Domestic exports	74.3	63.7	75.9	76.2	90.4	112.5	121.4	95.9	91.0	
Re-exports	21.3	27.8	32.8	34.0	41.9	39.5	50.3	52.3	40.0	
Imports, f.o.b.	-311.5	-353.9	-342.0	-346.3	-344.7	-414.3	-541.5	-568.5	-609.8	
Services (net)	204.3	203.6	208.8	207.0	216.3	272.7	332.7	353.4	205.9	
Balance on nonfactor services	232.4	234.6	238.8	244.2	251.7	311.1	376.7	397.4	239.9	
Receipts	331.3	342.8	348.5	354.1	362.9	432.1	515.4	550.5	384.9	
Of which tourism receipts	303.0	313.5	320.7	327.1	337.1	401.6	478.5	506.4	358.9	
Payments	-98.9	-108.1	-109.7	-109.8	-111.1	-121.0	-138.8	-153.1	-145.0	
Balance on factor services	-28.2	-31.0	-30.0	-37.2	-35.4	-38.4	-44.0	-44.0	-34.0	
Receipts	8.6	9.0	10.3	8.2	5.6	6.2	6.0	6.0	6.0	
Payments	-36.8	-40.1	-40.3	-45.4	-41.1	-44.6	-50.0	-50.0	-40.0	
Unrequited transfers (net)	-10.3	-20.1	-27.0	-29.7	-39.6	-42.3	-53.1	-60.5	85.0	
Official	20.3	20.4	19.3	19.9	10.6	12.7	6.9	5.5	60.0	
Private	-30.6	-40.5	-46.2	-49.6	-50.2	-54.9	-60.0	-66.0	25.0	
Non-monetary capital (net)	50.9	71.7	43.5	37.3	75.5	106.1	114.8	111.4	120.0	
Official medium-and long-term	14.6	5.2	-1.9	7.8	26.8	33.8	27.2	29.1	40.0	
Disbursements	25.7	17.6	12.4	23.4	43.5	51.1	47.6	50.1	60.0	
Amortization	-11.1	-12.5	-14.3	-15.6	-16.7	-17.4	-20.4	-21.0	-20.0	
Private capital incl.	42.9	42.9	25.6	24.3	33.9	56.8	71.6	82.3	80.0	
Net errors/omissions.	-6.6	23.6	19.9	5.2	14.9	15.5	16.0	0.0	0.0	
Overall balance	29.1	-7.2	-7.9	-21.4	39.8	74.3	24.5	-16.0	-67.8	
Monetary movements	-29.1	7.2	7.9	21.4	-39.8	-74.3	-24.5	16.0	67.8	
Maldives Monetary Authority	-20.2	-8.6	4.4	29.7	-40.2	-26.5	-24.7	-13.1	0.0	
Commercial Banks	-8.8	15.8	3.5	-8.3	0.4	-47.8	0.3	29.1	0.0	
Additional external financing requirement									67.8	
Memorandum items:										
Domestic export growth (value, in percent)	6.3	-14.3	19.1	0.4	18.6	24.5	7.9	-21.0	-25.0	
Import growth (value, in percent)	1.5	13.6	-3.4	1.3	-0.4	20.2	30.7	5.0	12.6	
Tourism receipts growth (in percent)	5.9	3.5	2.3	2.0	3.0	19.1	19.2	5.8	-25.0	
Current account balance (in percent of GDP)	-4.0	-13.4	-8.2	-9.4	-5.6	-4.6	-12.0	-14.7	-22.7	
Gross official reserves (millions of US\$)	119.9	128.5	124.1	94.3	134.5	161.0	205.1	218.2	205.1	
In months of the goods imports	3.5	3.3	3.3	2.5	3.5	3.6	3.6	3.6	3.3	
External Debt (millions of US\$)	200.8	212.9	211.6	209.8	259.0	289.5	316.6	345.7	385.7	
External Debt (percent of GDP)	37.2	36.1	33.9	33.6	40.4	40.7	42.0	39.9	46.6	
Debt service (millions of US\$)	16.3	19.0	22.1	22.0	23.3	22.9				
Debt service (% exports, goods and NFS)	3.8	4.4	4.8	4.8	4.6	4.0				
Exchange rate (Rufiyaa/US\$)	11.77	11.77	11.77	12.24	12.80	12.80	12.80	12.80	12.80	
GDP (millions of US\$)	540.1	589.2	624.3	625.1	640.7	690.8	753.1	866.0	828.4	

Source: Maldives Monetary Authority, IMF and staff projections.

**Table A.4: Summary of Central Government Finance**

	1998	1999	2000	2001	2002	2003	2004	2005	
								Pre-Tsunami Budget	Post-Tsunami Forecast
							Prv. Est.		
<i>(In millions of rufiyaa)</i>									
Total revenue and grants	1930.2	2225.3	2372.7	2522.6	2714.9	3087.9	3395.2	4200.8	4650.8
Total revenue	1765.7	2062.6	2206.8	2310.9	2582.4	2964.3	3320.7	4106.4	3882.6
Current revenue	1763.6	2058.6	2202.6	2294.3	2577.9	2936.8	3302.4	4080.4	3856.6
Capital revenue	2.1	4.0	4.2	16.6	4.5	27.5	18.3	26.0	26.0
Grants	164.5	162.7	165.9	211.7	132.5	123.6	74.5	94.4	768.2
Expenditure and net lending	2053.3	2506.4	2694.2	2885.9	3117.3	3375.3	3663.9	4644.8	5765.8
Total expenditure	2113.9	2494.9	2739.9	2912.1	3135.5	3551.9	3758.1	4743.0	5864.0
Current expenditure	1297.9	1545.5	1875.9	1971.4	2109.4	2345.7	2657.9	3475.1	3627.7
Capital expenditure	816.0	949.4	864.0	940.7	1026.1	1206.2	1100.2	1267.9	2236.3
Net lending	-60.6	11.5	-45.7	-26.2	-18.2	-176.6	-94.2	-98.2	-98.2
Current balance	465.7	513.1	326.7	322.9	468.5	591.1	644.5	605.3	228.9
Primary balance	-41.5	-182.4	-215.1	-246.8	-265.9	-265.9	-265.9	-265.9	-265.9
Overall balance excluding grants	-287.6	-443.8	-487.4	-575.0	-534.9	-411.0	-343.2	-538.4	-1883.2
Overall balance	-123.1	-281.1	-321.5	-363.3	-402.4	-287.4	-268.7	-444.0	-1115.0
Financing	123.1	281.1	321.5	363.3	402.4	287.4	268.7	444.0	1115.0
Foreign financing	129.3	56.7	3.6	145.8	372.4	419.4	405.4	304.6	505.6
Domestic financing	-6.2	224.4	317.9	217.5	30.0	-131.8	-136.7	139.4	-303.0
Exceptional financing									912.4
Total public debt (end of period)	2605.5	2782.9	3002.9	3326.4	3856.9	4144.3	4413.0	4857.0	5071.8
Of which foreign	1625.2	1681.9	1685.5	1831.3	2203.7	2674.6	3073.8	3378.4	3990.1
<i>(Percent of GDP)</i>									
Total revenue and grants	30.4	32.1	32.3	33.0	33.1	34.9	35.2	37.9	43.9
Total revenue	27.8	29.7	30.0	30.2	31.5	33.5	34.4	37.0	36.6
Current revenue	27.7	29.7	30.0	30.0	31.4	33.2	34.3	36.8	36.4
Capital revenue	0.0	0.1	0.1	0.2	0.1	0.3	0.2	0.2	0.2
Grants	2.6	2.3	2.3	2.8	1.6	1.4	0.8	0.9	7.2
Expenditure and net lending	32.3	36.1	36.7	37.7	38.0	38.2	38.0	41.9	54.4
Total expenditure	33.3	36.0	37.3	38.1	38.2	40.2	39.0	42.8	55.3
Current expenditure	20.4	22.3	25.5	25.8	25.7	26.5	27.6	31.3	34.2
Capital expenditure	12.8	13.7	11.8	12.3	12.5	13.6	11.4	11.4	21.1
Net lending	-1.0	0.2	-0.6	-0.3	-0.2	-2.0	-1.0	-0.9	-0.9
Current balance	7.3	7.4	4.4	4.2	5.7	6.7	6.7	5.5	2.2
Primary balance	-0.7	-2.6	-2.9	-3.2	-3.2	-3.0	-2.8	-2.4	-2.5
Overall balance excluding grants	-4.5	-6.4	-6.6	-7.5	-6.5	-4.6	-3.6	-4.9	-17.8
Overall balance including grants	-1.9	-4.1	-4.4	-4.7	-4.9	-3.3	-2.8	-4.0	-10.5
Financing	1.9	4.1	4.4	4.7	4.9	3.3	2.8	4.0	10.5
Foreign financing	2.0	0.8	0.0	1.9	4.5	4.7	4.2	2.7	4.8
Domestic financing	-0.1	3.2	4.3	2.8	0.4	-1.5	-1.4	1.3	-2.9
Exceptional financing									8.6
Total public debt (end of period)	41.0	40.1	40.9	43.5	47.0	46.9	45.8	43.8	47.8
Of which foreign	25.6	24.3	22.9	23.9	26.9	30.2	31.9	30.5	37.6
Memorandum item:									
Nominal GDP (millions of rufiyaa) (1)	6,356.9	6,935.4	7,348.4	7,650.8	8,201.0	8,842.0	9,639.2	11,085.1	10,603.1

Source: Ministry of Finance and Treasury, IMF and staff estimates.

Note: In the event of a shortfall in the amount of exceptional financing available, domestic and external financing will rise accordingly.