

ANNEX E.

Palau at a Glance

4/27/05

POVERTY and SOCIAL	Palau	East Asia & Pacific	Upper-middle-income		
2004					
Population, mid-year (<i>millions</i>)	0.02	1,855	335		
GNI per capita (<i>Atlas method, US\$</i>)	6,870	1,080	5,340		
GNI (<i>Atlas method, US\$ billions</i>)	0.14	2,011	1,788		
Average annual growth, 1998-04					
Population (%)	0.9	1.0	1.2		
Labor force (%)	..	1.1	1.8		
Most recent estimate (latest year available, 1998-04)					
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	69	40	76		
Life expectancy at birth (<i>years</i>)	..	69	73		
Infant mortality (<i>per 1,000 live births</i>)	24	32	19		
Child malnutrition (% of children under 5)	..	15	..		
Access to an improved water source (% of population)	79	76	89		
Illiteracy (% of population age 15+)	..	10	9		
Gross primary enrollment (% of school-age population)	111	111	104		
Male	113	112	104		
Female	109	111	104		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1984	1994	2003	2004	
GDP (<i>US\$ billions</i>)	..	0.08	0.12	0.13	
Gross domestic investment/GDP	
Exports of goods and services/GDP	..	15.1	
Gross domestic savings/GDP	
Gross national savings/GDP	
Current account balance/GDP	..	9.9	-4.3	-17.7	
Interest payments/GDP	
Total debt/GDP	
Total debt service/exports	
Present value of debt/GDP	
Present value of debt/exports	
	1984-94	1994-04	2003	2004	2004-08
<i>(average annual growth)</i>					
GDP	..	2.0	1.5	2.0	..
GDP per capita	..	0.1	1.5	2.0	..
Exports of goods and services

Development diamond*

Life expectancy

GNI per capita

Gross primary enrollment

Access to improved water source

Legend: Palau (green), Upper-middle-income group (red)

Economic ratios*

Trade

Domestic savings

Investment

Indebtedness

Legend: Palau (green), Upper-middle-income group (red)

STRUCTURE of the ECONOMY	1984	1994	2003	2004
<i>(% of GDP)</i>				
Agriculture	..	8.3	..	..
Industry	..	8.0	..	..
Manufacturing	..	0.9	..	..
Services	..	83.7	..	..
Private consumption
General government consumption
Imports of goods and services	..	52.9	..	..
	1984-94	1994-04	2003	2004
<i>(average annual growth)</i>				
Agriculture
Industry
Manufacturing
Services
Private consumption
General government consumption
Gross domestic investment
Imports of goods and services

Growth of investment and GDP (%)

Legend: GDI (green), GDP (red diamonds)

Growth of exports and imports (%)

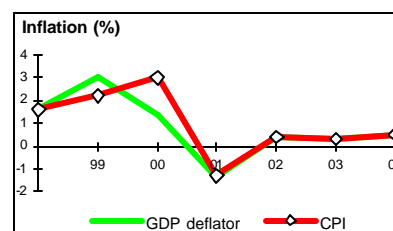
Legend: Exports (green), Imports (red diamonds)

Note: 2004 data are preliminary estimates. Group data are for 2003.

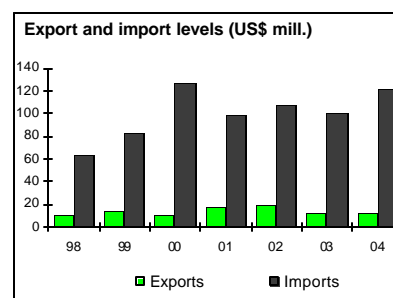
* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

PRICES and GOVERNMENT FINANCE

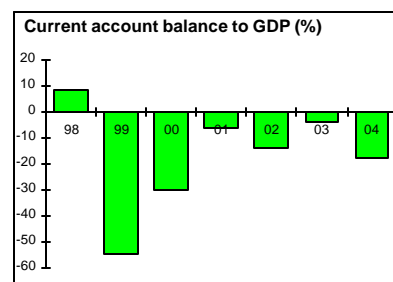
	1984	1994	2003	2004
Domestic prices				
<i>(% change)</i>				
Consumer prices	0.3	0.5
Implicit GDP deflator	..	2.6	0.3	0.5
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	59.5	42.1	43.5
Current budget balance	..	2.8	-5.2	-5.7
Overall surplus/deficit	..	0.5	-2.4	-12.4

**TRADE**

	1984	1994	2003	2004
<i>(US\$ millions)</i>				
Total exports (fob)	..	13	12	12
Commodity 1
Commodity 2
Manufactures
Total imports (cif)	..	44	100	122
Food
Fuel and energy
Capital goods
Export price index (1995=100)
Import price index (1995=100)
Terms of trade (1995=100)

**BALANCE of PAYMENTS**

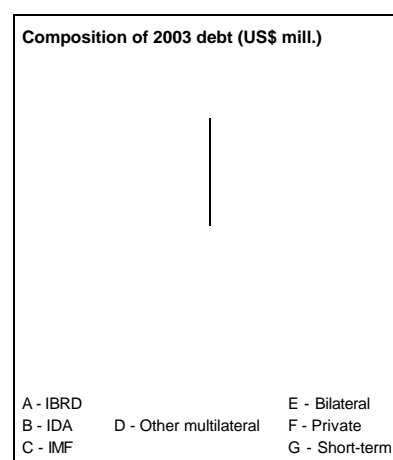
	1984	1994	2003	2004
<i>(US\$ millions)</i>				
Exports of goods and services	..	42	70	75
Imports of goods and services	..	57	102	124
Resource balance	..	-15	-33	-50
Net income	..	0	4	3
Net current transfers	..	23	23	24
Current account balance	..	8	-5	-23
Financing items (net)	..	-8	9	40
Changes in net reserves	..	0	-3	-17

**Memo:**

Reserves including gold (US\$ millions)	..	..	..	..
Conversion rate (DEC, local/US\$)	1.0	1.0	1.0	1.0

EXTERNAL DEBT and RESOURCE FLOWS

	1984	1994	2003	2004
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed
IBRD
IDA
Total debt service
IBRD
IDA
Composition of net resource flows				
Official grants
Official creditors
Private creditors
Foreign direct investment
Portfolio equity
World Bank program				
Commitments
Disbursements
Principal repayments
Net flows
Interest payments
Net transfers



Palau – Social Indicators

	Latest single year			Same region/income group	
	1970-75	1980-85	1997-2003	East Asia & Pacific	Upper-middle-income
POPULATION					
Total population, mid-year (millions)	..	0.01	0.02	1,854.5	334.9
Growth rate (% annual average for period)	..	3.1	1.8	1.0	1.2
Urban population (% of population)	62.0	67.7	68.7	39.7	75.8
Total fertility rate (births per woman)	..	4.0	2.5	2.1	2.4
POVERTY					
<i>(% of population)</i>					
National headcount index
Urban headcount index
Rural headcount index
INCOME					
GNI per capita (US\$)	7,500	1,080	5,340
Consumer price index (1995=100)
Food price index (1995=100)
INCOME/CONSUMPTION DISTRIBUTION					
Gini index
Lowest quintile (% of income or consumption)
Highest quintile (% of income or consumption)
SOCIAL INDICATORS					
Public expenditure					
Health (% of GDP)	8.5	1.9	3.7
Education (% of GDP)	11.0	3.2	4.4
Social security and welfare (% of GDP)
Net primary school enrollment rate					
<i>(% of age group)</i>					
Total	92	93
Male	92	93
Female	92	94
Access to an improved water source					
<i>(% of population)</i>					
Total	79	76	..
Urban	100	93	..
Rural	20	67	77
Immunization rate					
<i>(% of children ages 12-23 months)</i>					
Measles	99	70	94
DPT	99	78	90
Child malnutrition (% under 5 years)	15	..
Life expectancy at birth					
<i>(years)</i>					
Total	..	61	70	69	73
Male	..	59	69	68	70
Female	..	63	72	71	77
Mortality					
Infant (per 1,000 live births)	..	32	24	32	19
Under 5 (per 1,000 live births)	..	39	29	42	22
Adult (15-59)
Male (per 1,000 population)	184	197
Female (per 1,000 population)	129	103
Maternal (modeled, per 100,000 live births)
Births attended by skilled health staff (%)	100	68	..

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment rate: break in series between 1997 and 1998 due to change from ISCED76 to ISCED97. Immunization: refers to children ages 12-23 months who received vaccinations before one year of age.

Palau – Selected Indicators Table



Base-case (most likely) projection

	<i>Actual</i>			<i>Estimate</i>		<i>Projection</i>		
	2000	2001	2002	2003	2004	2005	2006	2007
Part A: Main Macro Aggregates								
<i>Annual growth rates, calculated from constant 1993 price data</i>								
GDP (mp) per capita	0.3	-0.7	1.1	1.5	2.0	..	..	..
Total consumption per capita	..	..	..	..	..	..	..	..
GDP at market prices	0.3	4.5	1.1	1.5	2.0	..	..	..
Total consumption	..	..	..	..	..	..	..	..
Private consumption	..	..	..	..	..	..	..	..
Gross domestic investment (GDI)	..	..	..	..	..	..	..	..
Gross dom. fixed investment (GDFI)	..	..	..	..	..	..	..	..
Exports (GNFS)	..	..	..	..	..	..	..	..
of which Goods	..	..	..	..	..	..	..	..
Imports (GNFS)	..	..	..	..	..	..	..	..
of which Goods	..	..	..	..	..	..	..	..
<i>Savings-investment balances, as percentage of GDP</i>								
Gross Domestic investment	..	..	..	..	..	..	..	..
of which Government investment	..	..	..	..	..	..	..	..
Foreign savings	30.5	6.2	13.9	4.3	17.7	..	..	..
Gross national savings	..	..	..	..	..	..	..	..
Government savings	-18.7	-9.4	-7.3	-5.2	-5.7	..	..	..
Non government savings	..	..	..	..	..	..	..	..
Gross domestic savings	..	..	..	..	..	..	..	..
<i>Other</i>								
GDP inflation	1.4	-1.3	0.4	0.3	0.5	..	..	..
Annual average exchange rate (LCU/US\$)	1.0	1.0	1.0	1.0	1.0	..	..	..
Index real average exchange rate (YR93 =100)	96.1	103.8	106.8	104.9	..	..	..	..
Terms of trade index (YR93 =100)	..	..	..	..	..	..	..	..
Incremental capital-output ratio (GDI based)	..	..	..	..	..	..	..	..
Import elasticity with respect to GDP	..	..	..	..	..	..	..	..
Money growth	..	..	..	..	..	..	..	..
Part B: Government Finance Indicators								
<i>Percentage of GDP</i>								
Total revenues, of which	52.6	44.5	42.1	52.6	56.4	..	..	..
Tax revenues	19.7	20.2	18.2	18.6	21.0	..	..	..
Total expenditures, of which	68.2	65.3	70.2	55.0	68.7	..	..	..
Consumption	51.3	27.3	44.5	43.6	45.1	..	..	..
Deficit(-)/Surplus(+)	-15.6	-20.9	-28.1	-2.4	-12.4	..	..	..
Financing:	..	..	..	..	..	..	..	..
Foreign	..	..	..	..	..	..	..	..
Monetary sector	..	..	..	..	..	..	..	..
Other domestic	..	..	..	..	..	..	..	..
<i>Other</i>								
Total Debt/GDPmp	..	..	..	..	..	..	..	..
Total interest payments/Tax revenues	..	..	..	..	..	..	..	..
Part C: Debt & Liquidity Indicators								
<i>Total DOD and TDS</i>								
DOD (US\$ millions)	10.0	17.0	32.0	..	..	..	..	..
DOD / GDPmp ratio	8.6	14.2	26.3	..	..	..	..	..
TDS (US\$ millions)	..	..	..	..	..	..	..	..
TDS / exports (XGS) ratio	..	..	..	..	..	..	..	..
Total gross reserves (months' imports G&S)	0.0	0.0	0.0	0.0	..	..	..	..
Part D: External Financing Plan								
<i>(US\$, millions)</i>								
Official capital grants	20.0	22.7	13.8	22.8	26.2	..	..	..
Private investment (net)	2.0	1.0	2.0	1.0	0.1	..	..	..
Net Long term borrowing excl IMF	18.6	0.0	0.0	-0.6	-1.1	..	..	..
Adjustments to scheduled debt service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All other capital flows	-5.6	8.9	35.1	-14.5	14.6	..	..	..
Financing Requirements (incl IMF)	35.0	32.6	50.9	8.7	39.8	..	..	..
of which current account deficit	35.5	7.4	16.9	5.3	22.5	..	..	..

Palau – Key Economic Indicators

Indicator	Actual			Estimate		Projected		
	2000	2001	2002	2003	2004	2005	2006	2007
National accounts (as % of GDP)								
Gross domestic product ^a	100	100	100	100	100	100	100	100
Agriculture	4	4	1	..	..	..	..	..
Industry	12	13	16	..	..	..	..	..
Services	84	83	82	..	..	..	..	..
Total Consumption	..	..	..	..	..	..	..	..
Gross domestic fixed investment	..	..	..	..	..	..	..	..
Government investment	..	..	..	..	..	..	..	..
Private investment	..	..	..	..	..	..	..	..
Exports (GNFS) ^b	10	15	18	..	..	..	..	..
Imports (GNFS)	109	83	88	..	..	..	..	..
Gross domestic savings	..	..	..	..	..	..	..	..
Gross national savings ^c	..	..	..	..	..	..	..	..
<i>Memorandum items</i>								
Gross domestic product (US\$ million at current prices)	116	120	122	124	127	..	..	..
GNI per capita (US\$, Atlas method)	6270	6260	6260	6480	6870	..	..	..
Real annual growth rates (% , calculated from 1993 prices)								
Gross domestic product at market prices	0.3	4.5	1.1	1.5	2.0	..	..	..
Gross Domestic Income	..	..	..	..	..	..	..	..
Real annual per capita growth rates (% , calculated from 1993 prices)								
Gross domestic product at market prices	0.3	-0.7	1.1	1.5	2.0	..	..	..
Total consumption	..	..	..	..	..	..	..	..
Private consumption	..	..	..	..	..	..	..	..
Balance of Payments (US\$ millions)								
Exports (GNFS) ^b	65	77	68	70	75	..	..	..
Merchandise FOB	12	19	20	12	12	..	..	..
Imports (GNFS) ^b	142	111	113	102	124	..	..	..
Merchandise FOB	127	100	101	94	109	..	..	..
Resource balance	-77	-34	-45	-33	-50	..	..	..
Net current transfers	36	21	23	23	24	..	..	..
Current account balance	-36	-7	-17	-5	-23	..	..	..
Net private foreign direct investment	2	1	2	1	0	..	..	..
Long-term loans (net)	19	0	0	-1	-1	..	..	..
Official	..	..	..	..	..	..	..	..
Private	..	..	..	..	..	..	..	..
Other capital (net, incl. errors & omissions)	14	32	49	8	41	..	..	..
Change in reserves ^d	0	-25	-34	-3	-17	..	..	..
<i>Memorandum items</i>								
Resource balance (% of GDP)	-66.3	-28.5	-37.1	-26.3	-39.0	..	..	..
Real annual growth rates (YR93 prices)								
Merchandise exports (FOB)	..	..	..	..	..	..	..	..
Primary	..	..	..	..	..	..	..	..
Manufactures	..	..	..	..	..	..	..	..
Merchandise imports (CIF)	..	..	..	..	..	..	..	..

(Continued)

Palau – Key Economic Indicators*(Continued)*

Indicator	Actual			2003	Estimate		Projected	
	2000	2001	2002		2004	2005	2006	2007
Public finance (as % of GDP at market prices)^e								
Current revenues	43.3	44.5	41.2	42.1	43.5	..	..	..
Current expenditures	62.0	53.9	48.6	47.3	49.2	..	..	..
Current account surplus (+) or deficit (-)	-18.7	-9.4	-7.3	-5.2	-5.7	..	..	..
Capital expenditure	6.2	11.4	21.6	7.7	19.5	..	..	..
Foreign financing	..	..	..	..	..	..	..	..
Monetary indicators								
M2/GDP	..	..	..	..	..	..	..	..
Growth of M2 (%)	..	..	..	..	..	..	..	..
Private sector credit growth / total credit growth (%)	..	..	..	..	..	..	..	..
Price indices(YR93 =100)								
Merchandise export price index	..	..	..	..	..	..	..	..
Merchandise import price index	..	..	..	..	..	..	..	..
Merchandise terms of trade index	..	..	..	..	..	..	..	..
Real exchange rate (US\$/LCU) ^f	96.1	103.8	106.8	104.9	..	..	..	..
Real interest rates								
Consumer price index (% change)	3.0	-1.3	0.4	0.3	0.5	..	..	..
GDP deflator (% change)	1.4	-1.3	0.4	0.3	0.5	..	..	..

a. GDP at factor cost

b. "GNFS" denotes "goods and nonfactor services."

c. Includes net unrequited transfers excluding official capital grants.

d. Includes use of IMF resources.

e. Consolidated central government.

f. "LCU" denotes "local currency units." An increase in US\$/LCU denotes appreciation.

Palau – Key Exposure Indicators

Indicator	Actual			2003	Estimate		Projected	
	2000	2001	2002		2004	2005	2006	2007
Total debt outstanding and disbursed (TDO) (US\$m) ^a	10	17	32	..	..	..	..	..
Net disbursements (US\$m) ^a	0	0	0	0	..	..	..	..
Total debt service (TDS) (US\$m) ^a	..	..	..	..	..	..	..	..
Debt and debt service indicators (%)								
TDO/XGS ^b	..	..	..	..	..	..	..	..
TDO/GDP	8.6	14.2	26.3	..	..	..	..	..
TDS/XGS	..	..	..	..	..	..	..	..
Concessional/TDO	..	..	..	..	..	..	..	..
IBRD exposure indicators (%)								
IBRD DS/public DS	..	..	..	..	..	..	..	..
Preferred creditor DS/public DS (%) ^c	..	..	..	..	..	..	..	..
IBRD DS/XGS	..	..	..	..	..	..	..	..
IBRD TDO (US\$m) ^d	..	..	..	..	..	..	..	..
Of which present value of guarantees (US\$m)								
Share of IBRD portfolio (%)	..	..	..	..	..	..	..	..
IDA TDO (US\$m) ^d	..	..	..	..	..	..	..	..
IFC (US\$m)								
Loans								
Equity and quasi-equity /c								
MIGA								
MIGA guarantees (US\$m)								

- a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.
- b. "XGS" denotes exports of goods and services, including workers' remittances.
- c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.
- d. Includes present value of guarantees.
- e. Includes equity and quasi-equity types of both loan and equity instruments.