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PROGRESS MADE IN THE IMPLEMENTATION OF THE WORK PROGRAMME

MONETARY AND FINANCIAL ISSUES AND DEVELOPMENTS IN TEH ECWA REGION: A MID-TERM REVIEW AND ANALYSIS, 1980-1984

85-0094

PREFACE

This report is the 1984 final output of the development finance programme element 1.1 entitled: "Review and analysis of developments and trends in development finance in the countries of Western Asia". This programme element was incorporated in the 1984-85 work programme and priorities.

It examines fiscal and monetary developments during the preceding three years at both the national and international levels and compares achievements with the IDS objectives.

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Corrigendum

Page 6, insert the following paragraph at the end of the section on Iraq:

It should be noted, however, that despite the continued burden of war and the sharp decline in oil revenues, development efforts in Iraq have not been adversely affected. In fact, the Government was able significantly to increase budgetary expenditures on developmental programmes and projects during the last four years.

Page 20, delete last paragraph and replace it by the following:

The budgetary systems in use in most countries of the region do not adequately serve their purpose in plan formulation, implementation and evaluation. The process of budget-plan harmonization has not yet developed in most cases. Similarly, the budgetary classifications do not adequately help in analysing and evaluating the impact of Government budgetary transactions, especially expenditures (consumption, capital, transfer, etc.) on the economy in terms of effects on prices, income, employment, balance of payments and other major economic and social indicators. The Commission's secretariat is ready to assist in dealing with these difficulties by designing systems based on economic and functional classification, and programme and performance budgeting techniques as well as appropriate Government accounting procedures.

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MONETARY AND FINANCIAL ISSUES AND DEVELOPMENTS IN THE ECWA REGION

Introduction

The International Development Strategy for the Third United Nations Development Decade 1/ calls, *inter alia*, for an average annual growth rate of 7 per cent in the gross domestic product of the developing countries. This is to be accompanied by structural transformation of the economy and significant improvement in its productivity to increase the share of these countries in the world production of goods and services, to expand employment opportunities, to raise the level of income and consumption "achieving a more equitable distribution of income and benefits from development" 2/ and to improve social services. It also calls for a sustained reduction in the rate of inflation, and to intensify the efforts to "increase the responsiveness of the international monetary system to the needs and interests of the developing countries" 3/.

Such an acceleration in output requires that developing countries "fully mobilize their domestic financial resources" and "continue to bear the main responsibility for financing their development" 4/. To this end, gross domestic saving should be increased to reach about 24 per cent and gross investment to about 28 per cent of GDP by 1990. Direct private investments compatible with national priorities and legislation will be encouraged.

The need by developing countries to raise their investment, saving, consumption and imports, simultaneously, necessitates a greater flow of financial resources, in real terms to the developing countries, on terms and conditions better attuned to their development aims and economic circumstances. Official development assistance by developed countries is to reach and, whenever possible, surpass the target of 0.7 per cent of gross national product. Net flows of both concessional and non-concessional aid in real terms should be increased and the access of developing countries to private capital markets should be improved. Special attention should be given to the needs of the least developed

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1/ The Strategy was adopted by the General Assembly on 5 Dec. 1980 at its 83rd plenary meeting (see A/Res/35/56, Annex).

2/ International Development Strategy for the Third United Nations Development Decade, para. 21.

3/ *Ibid*., para. 26.

4/ *Ibid*., paras. 23 and 96.

countries, where the flow of official development assistance should be doubled earliest possible, tripled by 1984 and quadrupled by 1990 at 1977 prices 1/. Finally, the Strategy calls for new and innovative means and forms of lending to accelerate the flow of financial resources to the developing countries 2/.

Though it is still premature to pass any judgement, actual performance so far leaves much of the goals and objectives of the International Development Strategy for the Third Development Decade unattainable, given the present economic situation of the developing countries. Even if their economic situation improves considerably in the second half of the eighties, it would still be difficult if not unlikely for the developing countries to approach the targets outlined above. It may be useful to recall that the objectives of the International Development Strategy for the Second Development Decade have remained largely unfulfilled. In fact, the position of developing countries has since deteriorated and the gap between the developed and developing countries has continued to widen. The present difficult international economic environment has particularly aggravated the special problems facing the least developed and other developing countries.

As noted above, the early years of the eighties did not bring with them good tidings not only to the ECWA region but to the world as a whole. They were accompanied by the worst and longest recession in the post-war period.

In the ECWA region, the plummeting of oil prices led to an erosion of the elusive huge financial surpluses which are disappearing as quickly as they were accumulated. More importantly, the soaring oil revenues of the seventies have left the oil-producing countries of the region more dependent on the oil sector against their proclaimed objective of diversifying the economic base and reducing its dependence on oil. The impressive growth in GDP of the oil-exporting countries was mainly attributed to the oil sector. Not only this, but the growth of the other sectors especially construction and services was greatly enhanced by the oil sector itself. Public expenditures grew at unprecedented rates reducing the share of the private sector.

Given such a background, the effect of a substantial reduction in oil revenues multiplied and affected all aspects of the economy. Oil revenues in the oil economies which contribute to about 90 per cent of total revenues declined from $ 176.0 billion in 1980 to $ 168.6 billion

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1/ For more details see paras. 98-110 and para. 115 of IDS.

2/ *Ibid*., para. 101.

in 1981 and to $ 119.4 billion in 1982. The oil-exporting countries, with the exception of Bahrain and Oman, had negative growth rates in their GDP in 1982. The dramatic drop in oil revenues led to a sharp reduction in total revenues, whereby Kuwait's revenues fell by about 36 per cent in 1982. In 1983, it is estimated that Qatar, Saudi Arabia and UAE have suffered from a reduction in their revenues in the range of 33 - 36 per cent. Two-thirds of the gain in real oil export earnings that had taken place from 1978 to 1980 had been reversed. The size of the decline in revenues necessitated urgent and immediate adjustment policies and accordingly the oil-exporting countries undertook a major reassessment of their fiscal and development programmes with a significant shift towards budgetary restraint. The pace of growth of government expenditures in the oil economies slowed down considerably in 1982 and estimates indicate that they fell in 1983 to $ 137.6 billion from a level of $ 146.6 billion in 1982. Development expenditures took the major brunt of the slash in outlays while current expenditures, comprising mainly defense, salaries, subsidies and services, proved to be more difficult to curtail. Despite their adjustment policies, most of the oil-exporting countries had budgetary deficits that had to be financed from the reserves and surpluses of the "rich" years 1/. Developments in the monetary policy followed a parallel line of action which restrained the growth of money supply though less markedly.

The oil-exporting countries not only suffered from the adverse consequences of the oil glut but also from the continued Iraq-Iran conflict which spread the feeling of insecurity and tension all over the Gulf region leaving its economies under constant threat and absorbing a considerable portion of its resources for defence purposes.

The non-oil countries of the region had to cope with the effects of world recession, the falling remittances from workers in, and a decline in financial aid from, the oil-exporting countries. This resulted in the Syrian Arab Republic and Jordan adopting restrictive fiscal policies. Jordan's success in overcoming these problems has been remarkable. It curtailed expenditures' growth while increased domestic revenues at higher rates, thus reducing the budgetary deficit and achieving progress in approaching its target of covering all current expenditures from domestic revenues. In the Syrian Arab Republic, following rapid expansionary fiscal policies in 1980 coupled with monetary growth which had led to strong inflationary pressures, the government adopted corrective measures since. However, budgetary deficit seems to have widened again in 1982. Both countries are relying more on increasing their borrowing from domestic sources to cover the budgetary deficit and reducing the importance of foreign financing.

1/ Bahrain, Iraq, Oman, Qatar and UAE are estimated to have budgetary deficits in 1983 whereas budgetary surplus in Kuwait sharply declined from KD 1973.1 million in 1981 to KD 92.5 million in 1983 and in Saudi Arabia from SR 111.5 billion to SR 2.5 billion during the same period.

.../

As for Lebanon, the continuing strife and upheaval in the country and the severity of it over the past two years have engulfed the country with severe recession for the first time since the beginning of the incidents in 1975. The severe damage to the industrial and agricultural sectors and loss of export outlets; the depreciation in the value of the Lebanese Pound, especially vis-à-vis the dollar; the widening gap between budgetary revenues and expenditures resulting in large budgetary deficits; the high rate of inflation which is accentuated by the increasing reliance on domestic borrowing; the fall in remittances, and in prospects of aid; and, the continuing uncertainty over the future leave Lebanon in a very difficult economic situation.

The two least developed countries of the region, i.e., Yemen and Democratic Yemen, had a setback in 1982 when the first was hit by an earthquake and the second by floods leaving the two countries in greater need for foreign aid and absorbing a large part of their resources for reconstruction. Although the two countries succeeded in mobilizing more domestic resources by considerably increasing tax revenues, higher increases in expenditures absorbed the gains. As a result, government budget deficit in both countries markedly increased amounting to 27 per cent of GDP in Yemen and to 43 per cent in Democratic Yemen in 1981. It is estimated that this deficit in Democratic Yemen has risen more sharply reaching 68 per cent of GDP in 1982.

The money supply 1/ in the non-oil economies increased at very high rates in 1980. In 1981, the rate of growth generally decelerated but shot up again in 1982 due, most probably, to the increased financing of public debt by the banking sector.

There is a striking contrast in the ratio of domestic saving to GDP between the oil and non-oil economies of Western Asia. The economies of oil-producing countries are characterized by high domestic saving income ratio that exceeds by far the target of the IDS. Although this ratio declined in 1981 and 1982 relative to 1980 it, nevertheless, amounted to 56 per cent in Saudi Arabia and UAE, 43 per cent in Bahrain, Oman and Qatar; while its decline was quite sharp in Kuwait which registered the lowest ratio in this group of 29.5 per cent as against 59 per cent in 1980 and 49 per cent in 1981.

On the other hand, the non-oil economies have had persistent negative saving/GDP ratio with the exception of the Syrian Arab Republic where it was 13 per cent in 1982 as compared to 6 per cent in 1981 and 12 per cent in 1980. In Jordan the ratio was about -11 per cent which is an improvement over the level recorded at the end of the seventies. Lebanon's saving ratio has further deteriorated from about -11 per cent in

1/ Money Supply in its broader definition as Money plus Quasi Money.

1980 to -17.5 per cent in 1981 and to almost -46 per cent in 1982. Democratic Yemen and Yemen have very high ratios of dis-saving. The ratio was -36.6 per cent in Democratic Yemen and -21.7 per cent in Yemen in 1982. It goes without saying that it is quite difficult for the non-oil countries of the region in general and the least developed among them in particular to approach the target 24 per cent of GDP by 1990, as specified in the IDS. Vigorous efforts are needed to mobilize domestic resources.

A. Fiscal Developments

The Oil Economies

The oil economies of the region pursued rapid expansionary fiscal policies following the increase in oil prices in 1979-80. The appearance of the oil glut in mid-1981 and the adoption of production cuts, resulted in a drop in government revenues of most countries in 1982. In Bahrain and Saudi Arabia the marginal increases in revenues recorded in 1982 also dropped in 1983. As the oil market weakened further, the benchmark price for OPEC's crude fell from \$ 34 per barrel to \$ 29, in March 1983, or by about 15 per cent. The reduction in the volume of oil production and the decline in prices resulted in a severe drop in government revenues in 1983, amounting - in some cases - to about one-third of total revenues. Despite lower rates of growth in government expenditures, budgetary deficits were inevitable. These deficits were financed from surpluses of previous years, by drawing from General Reserve Funds, as in Kuwait and Oman; and by the extension of loans and credit facilities in Iraq and Oman. Accordingly, the common theme characterizing fiscal policy in the oil economies has been budgetary restraint. Given the fact that government outlays are the main determinants of the level of economic activity in these countries, the adverse effect of such a curtailment on economic activity was evident in 1983 and is expected to be greatly felt in 1984 as well. In order to mitigate the impact of lower expenditures, efforts are underway to increase the involvement of the private sector in economic activities. While the above depicts the general trend in the oil-producing countries as a whole, the situation has varied among them.1/

Bahrain witnessed in 1980 and 1981 a remarkable expansion in its budgetary appropriation which grew at 25 and 20 per cent respectively. Development expenditures grew at a higher pace averaging about 24 per cent while current expenditures averaged 21 per cent during the same period. Inspite of the expansion in spending, there were budgetary surpluses amounting to an average of 9.5 per cent of GDP in 1980 and 1981. The levelling off of revenues and continuing rise in expenditures in 1982 resulted in diminishing the budgetary surplus, and the surplus in the balance of payments fell to BD 64.8 million from BD 304 million in 1981. The original 1983 budget which had assumed a rise in revenues, was revised

1/ See tables (1), (2) and (3) on government expenditures, revenues and their annual percentage increase.

.../

in May 1983 to decelerate the growth rate of expenditures from 27 per cent to 13 per cent. Capital expenditure was also reduced from BD 325.5 million to BD 259.7 million.

On the revenue side, the price of oil was raised twice in 1983 - as part of the general Gulf Cooperation Council policy to reduce petrol subsidies - which had totalled BD 17 million in 1982 and to reduce domestic consumption. Customs duties on imported cars were raised from 10 per cent to 20 per cent and that on alcoholic beverages from 70 to 100 per cent. Moreover, the government was considering the issue of development bonds by the end of 1983 for raising revenues. The government issued development bonds for the last time in 1978. Preparations are also being made for the setting up of a local stock exchange market in 1984 aimed at promoting private sector investment. It is initially limited to serving the local market, but it is hoped to eventually become a Gulf-wide financial facility.

Reflecting the decline in revenues, the 1982-85 development programme was extended into 1987, and under the two-year 1984-85 balanced budget expenditures are allowed to increase by only 4 per cent in 1984 and 6 per cent in 1985.

Similar to other oil economies, Iraq relies heavily on oil exports for its revenues. Taxes on income and consumption remain a relatively small contributor to total government revenues. Thus, with the outbreak of war with Iran in September 1980 and the subsequent cuts in Iraq's oil export outlets, government revenues fell sharply in 1981. The mounting expenses of the war and the decline in revenues resulted in budgetary deficits which have led to withdrawal from reserves and increase in public debt. Iraq was capable of overcoming the financial constraints, at least up till the end of 1983, through oil sales arrangements with some of the Gulf States, long-term loans and aid from these countries, and the extension of credit facilities from its principal suppliers. Iraq also obtained two short-term loans from the Arab Monetary Fund in 1983 for $ 84.8 million and $ 90 million, and was engaged, through the Rafidain Bank, in raising $ 500 million from the international capital market. Iraq had also concluded an agreement for a $ 500 million loan from the IMF, the first since the outbreak of war with Iran.

The 1983 and 1984 budgets give priority to defence, war-related schemes and social welfare. Restrictions were imposed in 1983 on the amounts of foreign exchange that immigrant workers could send home, as almost $ 4000 million was estimated to be leaving the country annually as remittances.

In Kuwait the reduction of government revenues in 1981 and 1982 was around 23 per cent and 35 per cent, respectively. Lower oil revenues led to a decline in the contribution of the oil sector to GDP from about two-thirds at the end of the seventies to a little more than one-half in 1982 and its contribution to total revenues fell from over 80 per cent to about 60 per cent. The economy, however, was cushioned by a sharp rise in investment income which is not included in the budget, thus placing it in a better position relative to other Gulf economies. Budget surpluses, excluding investment income, fell drastically from about 29 per cent of GDP in 1981 to less than 4 per cent in 1982. In 1982/83, the government adopted a more restrictive fiscal policy stand, allowing expenditures to grow by just 4 per cent compared to 18 per cent in the preceding year. This policy was slightly relaxed in 1983/84 with the increase in expenditures projected at 8 per cent, from KD 3113.4 million to KD 3376.3 million. If the allocation of KD 303.7 million for the Reserve Fund for Future Generations and KD 30 million increase in the capital of the Kuwait Fund for Arab Economic Development are included total outlays amount to about KD 3710. According to budgetary estimates, revenues would again follow a downward trend, going from KD 3206 million down to KD 3037 million, leaving a deficit of KD 673 million to be met from the State General Reserve Fund. A quarter of total expenditure goes to the Ministry of Electricity and Water, reflecting the need for a reappraisal of the policy of heavily subsidizing public utilities.

The collapse of the unofficial stock market, Souk al-Manakh, in August 1982 was the second shock to the Kuwaiti economy, and its after-effects were felt in 1983. Although the economy could withstand it, thus, proving its strength - the government was forced to take action in support of the official exchange market, giving the government majority shareholding in more than half of the companies listed in the market. This amounted to a reversal of the policy of giving the private sector a bigger role. This also forced the government to liquidate some foreign assets in order to pay for the acquired shares, thus reducing its investment income.

Oman continued to follow an expansionary fiscal policy, notwithstanding the decline in revenue by about 7 per cent in 1982. Expenditure soared by 27 per cent in 1981, by 16 per cent in 1982 and by 14 per cent in 1983, but are projected to grow at a lower pace in 1984 - by about 7 per cent. Defence absorbs around 40 per cent of current expenditures. The budgetary deficit of 1982, which amounted to OR 189 million, was met partly from preceding year's surplus and partly from the General Reserve Fund, which was established in 1980 with a provision to receive 15 per cent of oil revenues and budgetary surpluses, if any. The 1983 deficit forecasted at OR 233 million was expected to be met partly by a $ 300 million international loan. Spending on the five-year plan has kept its targets and by mid-1983 55 per cent of total allocations were spent.

Qatar's fiscal policy, in general, has been conservative, keeping the growth of expenditures moving in line with the growth of revenues. Consequently, government expenditures were slashed by 14.4 per cent in

.../

1982 as revenues dropped. It is estimated that revenues fell further in 1983, leaving the budget with a deficit of almost QR 5460 million to be covered by dipping into previous years' surpluses. The 1983/84 budget calls for maximum curtailment of current expenditure and of expenditure on secondary projects to achieve an overall 31 per cent cut in spending.

Saudi Arabia, the leading oil-exporter of the region, had a remarkable increase in its revenues in 1981 to SR 348.1 billion from SR 211.2 billion, for the preceding year or by 65 per cent. The ratio of total revenues to GDP went up from 55 per cent in 1980 to 70 per cent in each of 1981 and 1982. Revenues levelled off in 1982 to SR 368 billion, representing an increase of less than 6 per cent, but in 1983 they fell by 33 per cent to SR 246.3 billion and are projected to fall further to SR 225 billion in 1984. Government expenditures went up by about 26 per cent in 1981 to SR 236.6 billion and again by 20 per cent in 1982 peaking at SR 284.6 billion, about 54.2 per cent of GDP. However, in 1983 government revenues fell by about 14 per cent to SR 243.8 billion and are projected to fall by another 17 per cent in 1984. Since actual spending fell short of the estimates in 1983, the decrease in expenditure in 1984 relative to actual spending is estimated at 7 per cent. As a result of these developments, budgetary surplus fell from SR 111.6 billion in 1981 to just SR 2.5 billion in 1983 while the 1984 budget has forecasted a deficit of SR 35 billion.

Government net domestic spending is a major factor in stimulating demand, influencing the economic activity of the private sector and domestic liquidity and having an equally important impact on national income, in addition to the government's direct contribution to non-oil GDP. In 1982/83, the oil sector accounted for more than 60 per cent of GDP at current prices, almost 87 per cent of government revenues and virtually all export earnings. Accordingly, economic activity is expected to pass through a period of stagnation. The present policy is to consolidate and increase efficiency in the utilization of the installed capital stock and to encourage the private sector to play a more important role to stimulate growth.

The riyal was subject to a series of gradual devaluations in 1983. Its parity vis-à-vis the dollar went down from \$ 1 = 3.45 to 3.47 to 3.48 and then to 3.50. In January 1984, it fell further to \$ 1 = 3.51. The strength of the dollar in comparison to other currencies has been the main cause for the devaluations.

The United Arab Emirate's federal budget showed considerable increases in revenues in 1980 and 1981; almost doubled in 1980 and went up again by 30 per cent in 1981 to Dh 22592 million. From there, revenues started their downward trend to stand at Dh 19959.5 million and Dh 12900 million in 1982 and 1983, a reduction of around 12 and 35 per cent, respectively. Expenditures followed a more or less similar trend rising by 78 per cent in 1980 to Dh 15067 million, by 35 per cent

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in 1981 to Dh 20366 million, by 9 per cent in 1982 to Dh 22259.5 million only to fall by 17 per cent, to Dh 18406 million, in 1983. Budgetary deficit more than doubled from an estimated Dh 2300 million in 1982 to Dh 5506 million in 1983. Project outlays were expected to bear the brunt of the slash in expenditure, whereas current expenditures were estimated to increase by 4.3 per cent.

In 1982, the current account surplus of the OPEC oil-exporting countries as a whole, was significantly reduced. It fell in 1982 to the equivalent of about $ 4 billion from $ 59 billion in 1981. However, preliminary data indicates that the current account shifted into a deficit of $ 7 billion in the first quarter of 1983 and to $ 17 billion in the first six months of 1983, reflecting a decline in the volume of exports as well as lower prices. The most remarkable swing was in the current account of Saudi Arabia.

International reserves of the oil-exporting countries of the region increased in 1981 by $ 11.1 billion to $ 43.2 billion. In 1982, these fell slightly to reach $ 42,528.8 million.

The oil economies, in general, had modest increases in their rates of inflation in 1981 and 1982. The fall in import prices and government expenditures which reduced demand pressures resulted in lower price increases. In 1982 the cost of living index rose highest in Iraq and the UAE by 22 per cent and 12.4 per cent, respectively, followed by Kuwait with 7.8 per cent increase and Bahrain 7 per cent. The lowest rates were of Qatar and Saudi Arabia, the former having a 4.3 per cent increase while the latter did not register any price increase.

Non-Oil Economies

Developments in the non-oil economies, namely, Jordan, Lebanon and the Syrian Arab Republic have brought about three main common characteristics: (1) The importance of Arab grants and loans on their budgetary stance especially in Jordan and the Syrian Arab Republic where grants cover a large part of the budgetary deficit; (2) the rising level of public debt and its increasing reliance on domestic sources of finance; and, (3) unabated inflation especially in Lebanon and the Syrian Arab Republic where it was in the vicinity of 20 per cent and 18 per cent, respectively, in 1982. The non-oil economies are highly susceptible to developments in the oil-exporting countries due to their strong dependence on aid, trade and provision of services. As a result, their economic performance has been directly affected by the rise and fall in oil revenues. Furthermore, the decrease in government expenditures of the oil economies, implies a reduction in the demand for expatriate labour, thus creating a problem for almost all the non-oil economies. 1/

1/ For more reference see table (4) on budgetary surplus or deficit, and tables (7) and (8) on outstanding public debt and projected debt servicing.

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Jordan's economy has been characterized by its heavy reliance on external aid. The bulk of Jordan's aid and loans come from Arab oil-exporting countries. Coupled with remittances of Jordanians abroad, such a reliance enabled Jordan to achieve higher growth rates, enjoy a consumption rate which exceeded GDP and at the same time raise investment outlays to more than 40 per cent of GDP. It has, on the other hand, made the country vulnerable to the uncertainties in the level of aid. Government revenues from domestic sources accounted for only 55.5 per cent of total revenues in 1982; a slight improvement over the figure of 44.6 per cent for 1980.

Total Government revenues in 1981 increased by 18 per cent while expenditures grew by 14.9 per cent, thus reducing budgetary deficit from 5.6 per cent of GDP in 1980 to 4 per cent in 1981. However, this development was reversed in 1982 when the budgetary deficit increased by 52.4 per cent or 5.6 per cent of GDP. Despite successes in raising domestic revenues by 16.2 per cent total revenues including external receipts increased by just 8 per cent mainly due to a decline in revenues from external sources. Grants were estimated at JD 260 million but only JD 218.1 million was received. Remittances increased to JD 360 million in 1982 from JD 345 million in the preceding year. On the other hand, expenditures were estimated to have increased by 11.6 per cent as against actual increase in current expenditures of 16.2 per cent and capital expenditure of only 4.4 per cent, reducing its share in total expenditure from 40.3 per cent in 1980 to 37 per cent in 1982.

About 35 per cent of total budgetary deficit was financed domestically through the issue of treasury bills and government bonds. Public debt is estimated to have risen by 20 per cent in 1982, as against an increase of 12 per cent in 1981, reaching $ 1419.2 million.

The 1983 budget estimated expenditures at JD 775.2 million, an increase of 7.3 per cent over the 1982 figure . Revenues were projected to increase by 17.6 per cent to JD 762 million, with domestic revenues amounting to JD 424 million. Duties on vehicles were raised from 10 to 20 per cent and on alcoholic beverages from 50 to 60 per cent. Current expenditures were put at JD 471.4 million, an increase of only 3.5 per cent. The increase is mainly due to interest payments on foreign loans. The JD 13.4 million deficit was partly financed from a loan of $ 225 million raised on the Euromarket.

The 1984 budget is an austerity budget, with expenditures slightly declining from JD 775.2 million to JD 770.2 million. Defence and social services constituted priority areas under current expenditures.

Despite severe hardship facing Lebanon, its economy showed considerable resilience up till 1982. The Israeli invasion in 1982 and the destruction it caused along with the ensuing incidents in 1983

.../

resulted in severe damages to the productive sectors of the economy. In 1980, GDP remained, in real terms, 40 per cent below the 1975 level.

The budget for the past three years has been characterized by rising deficits due to high rates of growth in expenditures reflecting the inflationary situation, increase in civil service salaries, and mounting defence expenditures. On the other hand, growth in government revenues was only minimal mainly due to government inability to collect taxes and to limited amount of foreign aid. Government budget for 1982 had put expenditures at LL 6.3 billion compared to LL 4.5 billion in 1981, amounting to 48.7 per cent of GDP as compared to an average of 31.8 per cent in 1980 and 1981. Revenues estimated at LL 3.5 billion, were expected to cover only 55 per cent of total expenditures. The deficit was financed by resorting to the Central Bank, issuing short-term treasury bills and receiving external assistance. The value of treasury bills amounted to LL 12,279 million in 1982 as compared to LL 4910 million in 1981, an increase of 150 per cent. Loans from the Central Bank reached LL 1782 million, against LL 1981 million at the end of 1981, but monthly fluctuations were very high. Public debt increased at a very high rate, rising from LL 7931 million to LL 15070 million between the beginning and the end of 1982. Of this total, 81.5 per cent was in the form of treasury bills, 11.6 per cent borrowing from the Central Bank and 6.9 per cent foreign loans. Interest payments on domestic public debt reached LL 1138 million during 1982 against LL 493 million in 1981. It should be noted, however, that public debt was only LL 2.8 billion in the beginning of 1980, but it is estimated to stand at LL 23 billion by 1984.

In 1983, government expenditures and revenues were budgeted at LL 8 billion and LL 5.7 billion, respectively, resulting in a deficit of LL 2.7 billion equivalent to more than one-third of the budget (33.8 per cent). The deficit is financed partly through the banking system and partly through foreign loans. Indications are that Lebanon witnessed, in 1983, its first balance of payments deficit since the fifties, estimated by the Central Bank at $ 1 billion. The 1984 draft budget envisages a 32 per cent increase in expenditures to LL 10.575 billion and a widening deficit, forecasted at LL 3.5 billion. The three main priorities over the past three years remain defence (1,947 million), education (LL 1506 million) and public works (LL 1823 million).

The Syrian Arab Republic, after a substantial expansion in its budgetary outlays in 1980 coupled with monetary expansion leading to strong inflationary pressures and raising the fiscal deficit by 6 percentage points to 21 per cent 1/, adopted corrective measures since 1981 through

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1/ Almost 54 per cent of the deficit was covered by grants but substantial recourse to the banking system was necessary.

.../

more restrained fiscal and monetary policies. Among the measures undertaken were sharp increases in the prices of petroleum products, the introduction of new tax measures, curbing current expenditures and limiting capital expenditures to the completion of ongoing projects. As a result, the fiscal deficit in 1981 is estimated to have declined to 17 per cent of GDP 1/. More than 60 per cent of the deficit was covered by grants, 15 per cent by foreign loans and 17 per cent by borrowing from the banking system.

The 1982 budget was less restrictive allowing expenditures to grow by 23 per cent to SL 33.3 billion versus a forecasted increase in revenues of only 22 per cent to SL 20.2 billion, thus leaving an overall deficit of SL 13.1 billion, or a 25 per cent rise over the 1981 deficit of SL 10.48 billion. Severe constraints were put on current expenditures which were reduced from the actual 1981 level by 2.5 per cent to stand at SL 16,750 million, while capital expenditures had a substantial increase of 68.3% to SL 16,595. However, during the course of the year the budget had to be revised to allow an increase in current expenditures reaching SL 18,175 million 2/. Since actual capital expenditures amounted to 68 per cent of the budget, the deficit was expected to be less than the budget estimates by SL 3,958 million.

The 1983 budget estimates were 11.7 per cent more than the previous year reachinga total of SL 37,253 million. Given the high rate of inflation, the increase meant a reduction in real terms. Current expenditures were up by only 2.7 per cent over the revised 1982 figure, and capital expenditureswent up by 12 per cent, amounting to almost 50 per cent of total expenditures. Defence absorbed 53.6 per cent of current expenditures against 58.4 per cent in 1982; while education, social and health services constituted about 18.4 per cent of total current expenditures.

Medium and long-term public debt stood at $2336.6 million at the end of 1981. It is estimated to have risen to $ 2.8 billion in 1982 and to $ 3.0 billion in 1983. Short-term debt grew rapidly from an estimated figure of $ 175 million at the end of 1979 to $ 650 million at June 1982, while medium and long-term debt was reduced.

1/ Actual figures for budgetary expenditures are not published and the analysis is therefore, based on IMF estimates.

2/ This may be partly attributed to the decision that the practice of granting tax exemptions for certain public enterprises was discontinued as of February 1982. The government instead agreed to assume the debt of these enterprises which is a result of its subsidy policy. While the government expects to assume a total debt of SL 7.5 billion in this respect during the Fifth Five-Year Plan (1981-1985), an initial amount of SL 3 billion was supposed to be transferred during the fiscal year 1982 in the form of Treasury Bonds. This was expected to be subscribed by the Central Bank and to be reimbursed on an annual basis during a period of 15 years with an interest rate of 1.21 per cent per year.

.../

The Least Developed Countries

The region's two least developed countries, Democratic Yemen and Yemen, had been making steady progress with high rates of growth up to the end of the seventies. In 1980 and 1981, the momentum in real growth continued, however, at relatively lower rates. In 1982, development efforts suffered significant setbacks when much of Democratic Yemen was devastated by severe floods and Yemen was hit by earthquakes causing extensive damage to infrastructures and agricultural production, leaving a large segment of their population in desperate need for shelter and food. As a result, their development plans had to be revised to account for new priorities and objectives and to modify anticipated growth rates. The catastrophies left the two countries in greater need for foreign aid, absorbing a larger part of their resources for reconstruction and moving their balance of payments into the red.

Democratic Yemen, in pursuing its goals of accelerating growth, was rapidly increasing its budgetary outlays especially since 1980. Government expenditures were increased by 27.4 per cent in 1980, 46.2 per cent in 1981, and were estimated to have increased by a further 38 per cent in 1982. The ratio of government expenditures to GDP is one of the highest in the region. It was 67.4 per cent of GDP in 1980, increased to 79.9 per cent in 1981 and reached 99 per cent of GDP in 1982. On the other hand, revenues increased by 60.6 per cent in 1980, 20.6 per cent in 1981, but were estimated to drop by 5.4 per cent in 1982. Private transfers from abroad helped finance the private sector's activities, especially construction and trade. These transfers rose from $ 48.4 million in 1975 to an estimated $ 448.2 million in 1982. Remittances allowed the level of consumption to exceed GDP at market prices. In 1982 consumption exceeded GDP by $ 171.8 million or 25.4 per cent. Remittances constituted about 42 per cent of total private transfers, amounting to almost 20 per cent of GNP at factor cost. Although current expenditures increased from YD 96.7 million in 1980 to YD 164.4 million in 1982, their share of total government expenditures fell from 61.4 per cent to 51.7 per cent. The main items of current expenditures are defence, absorbing 40.4 per cent in 1982, followed by education 13.7 per cent and general administration 31.9 per cent. With the initiation of the second development plan, capital expenditures rose by 49.8 per cent in 1981 and by 68.6 per cent in 1982 to YD 153.8 million. The 1983 budget sets development expenditures at YD 329 million.

Budgetary deficits are covered by foreign aid, remittances from workers abroad, and through borrowing from the banking system. The net claims of the banking system on the government have doubled during the period 1977 to 1981 and were expected to triple in 1982, i.e. moving from a total of $ 210.2 million in 1977 to $ 437.9 and $ 601.8 million in 1981 and 1982, respectively. Treasury bills alone reached the level of about $ 432.1 million in 1980 1/.

1/ Democratic Yemen's Economic and Social Development, Country Presentation to a Donor's Review Meeting, Aden, June 1983.

.../

In 1982, the balance of payments recorded its first deficit after five years of surpluses. The International Monetary Fund and the Arab Monetary Fund provided Democratic Yemen with loans to cover this deficit. Public debt increased from $ 498.8 million in 1980 to $ 639.8 million in 1981, or by 28.2 per cent. It is expected to have risen further to $ 760.1 million in 1982, despite the considerable international assistance received after the floods.

Developments in Yemen have followed a similar pattern expanding budgetary expenditure. The ratio of government expenditures to GDP rose from 37.5 in 1979 to 57.9 in 1982. While the share of government revenues in GDP increased from 22.4 to 35.0 per cent during the same period, rapid growth in government expenditures resulted in budgetary deficit.

Government expenditures were YR 6835.3 million in 1981 compared to YR 5023.7 million in 1980. In 1982, expenditures rose by 24 per cent to YR 8474.2 million and were projected to increase by only 2.9 per cent in 1983 to YR 8720 million. The share of capital expenditures fluctuated between 38.1 per cent in 1980, 51.4 per cent in 1981 and 47 per cent in 1982, mainly due to increasing reliance on foreign aid. The bulk of current expenditures in 1982 has been absorbed by defence and security (YR 2302.2 million in 1982), followed by education (YR 879.2 million). The government's net position with the Central Bank fell from a surplus of YR 590 million at the end of fiscal 1978/79 to a deficit of YR 8520 million by end of 1982. Yemen received substantial aid and assistance mainly from Saudi Arabia, following the earthquakes to help it finance its essential needs and to cover part of the budgetary deficit.

Increasing government spending since the late seventies, resulting in budgetary deficits and accompanied by persistant balance of payments problems prompted major drawings from reserves. Reserves are estimated to have dropped by $ 1000 million during 3 years ending April 1983. They fell from $ 933.3 million at end of March 1982 to $ 554.2 million by December 1982 and to $ 492.5 million by end of March 1983. The levelling off of foreign aid and remittances and the low growth rate of 2.5 per cent in GDP in 1982, which was negative growth in real terms, compounded by deteriorations in balance of payments and the decline in reserves led to foreign exchange problems and a depreciation in the value of the riyal. In an effort to halt the depreciation of the riyal and the aggravating deficit in the balance of payments, the government announced a package of measures which include ending the Central Bank of Yemen's backing of the riyal in the local market, and tightening import licensing regulations and direct controls on the $ 2000 million a year import bill. The development plan objectives will be revised to accommodate aid inflows of no more than $ 400 million a year. The 1984 budget is an austerity budget calling for a decline in expenditures to reach a total of YR 8176 million compared to YR 8720 million in 1983. Capital spending is set at YR 2873 million compared to about YR 3984.7 million in 1982.

.../

Public debt showed a steady increase rising from $ 472.6 in 1979 to $ 876.4 in 1980 and $ 1093.8 million in 1981. While debt servicing in fiscal year 1980/81 was estimated to have amounted to almost 4 per cent of GDP, it was four times total export earnings. Debt service payments including principal and interest were estimated at $ 81 million in 1983 compared to $ 71.4 million in 1982. By the end of the current Five-Year Plan, it is estimated to reach 10-15 per cent of GDP.

B. Monetary Developments

Monetary developments[1/] in the oil economies excluding Iraq during the last few years, have generally followed a pattern similar to developments in the fiscal sector, reflecting the predominance of government expenditures in determining the level of domestic liquidity. Thus, the rate of growth in money supply (M2 = M1 + Quasi Money) accelerated in all the oil-exporting countries in 1980 and 1981. It decelerated in 1982, with the exception of Saudi Arabia which maintained its rate of increase partly due to sustaining the level of budgetary expenditures during that year. The highest rates of growth in money supply in 1981 were registered in Qatar, Bahrain and Oman amounting to 41.6 per cent, 39.4 per cent and 39.2 per cent, respectively, while the lowest was that of UAE being 23.6 per cent. In 1982, Oman and Saudi Arabia witnessed the largest expansion in money supply of 25 per cent and 23.4 per cent, respectively. The lowest rates were recorded in UAE (6.6 per cent), Bahrain (6.9 per cent) and Kuwait (8.1 per cent).

The share of time and savings deposits in the money supply was predominant in the oil economies showing a rising trend during the period 1978 - 1982. The ratio of these deposits to total money supply during this period, rose from 44 per cent to 56.4 in Qatar, from 57.4 to 66.6 per cent in Bahrain and from 47.7 to 54.1 per cent in Oman. Time and saving deposits accounted for more than half of the total money supply in all the oil economies in 1982, with the exception of Saudi Arabia; its ratio being highest in Kuwait and the UAE where it was in 1982, 71.8 and 69.2 per cent respectively. This is not surprising since these countries enjoy high per capita incomes coupled with high interest rates prevailing in the early eighties reaching record levels. The exception of Saudi Arabia, could be attributed to the prohibited concept of "riba", or interest, under the " Sharia", resulting in preference for other forms of investments.

The share of currency in circulation in total money supply was declining in the oil economies over the past five years. In 1982, it constituted just 8.6 per cent of total money supply in Kuwait, being the lowest ratio in the region, and about 9.5 per cent in Bahrain and the UAE. Its share was higher in Oman and Saudi Arabia, amounting to 23.4 and 29.6 per cent of money supply, respectively. The share of

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1/ See tables (5) and (6)

demand deposits in total money supply during 1978-1982, fell sharply in Bahrain, Qatar and Saudi Arabia, but they still accounted in Saudi Arabia for the largest element of the money supply (44.8 per cent in 1982). In the UAE, the share of demand deposits declined slowly, whereas in Kuwait and Oman it fluctuated being 20 per cent in the former and 22.7 per cent in the latter in 1982.

In the non-oil economies, including the least developed, domestic liquidity was affected by budgetary otulays, but other factors played an equally influential role, the most important of which was public debt. Other factors include net domestic assets, net foreign assets, and the availability of credit to the private sector which are interlinked together. Money supply had grown rapidly in these countries in 1980 but in 1981 its growth decelerated only to pick up again in 1982. Lebanon was an exception, where money supply increased by 40.1 per cent in 1981, but in 1982 its rate of growth was reduced by half to stand at 20.2 per cent. In Jordan the increase in MS in 1982 was equivalent to the rate of 1981. The Syrian Arab Republic had the highest rate of expansion in money supply in 1980 of 35 per cent followed by Lebanon and Democratic Yemen which had an increase of about 32 per cent, while Yemen had the lowest rate of 21.5 per cent. In 1981, the lowest rates were those of the two Yemens, with Democratic Yemen having a rate of increase of 12.5 per cent and Yemen 8.6 per cent. In 1982, the highest rate of increase was that of Yemen (27.6 per cent) and the lowest was that of Democratic Yemen (17.8 per cent), while Lebanon's and the Syrian Arab Republic rate were in the range of 20 per cent.

Currency in circulation constituted the largest component in total money supply in the Syrian Arab Republic, Democratic Yemen and Yemen, standing at 52.4, 57.8 and 74.6 per cent, respectively. In contrast to the oil economies, time and saving deposits had understandably a modest share in total money supply, amounting to 14.2 per cent in Yemen, 21.2 per cent in Democratic Yemen and as low as 10.8 per cent in the Syrian Arab Republic. These rates were an improvement over the 1978 rates of 14.5, 9.4 and 8.3 per cnet in the same countries, respectively. Among the non-oil economies the Syrian Arab Republic had the highest ratio of demand deposits to total money supply, amounting to 36.8 per cent in 1982. This could be attributed to the low per capita income of these countries especially of the two Yemens and to their high import ratios.

Contrary to the other non-oil economies, the composition of money supply in Lebanon appeared to be similar to that of the oil economies whereby time and saving deposits constituted the bulk of money supply, standing at 77.2 per cent in 1982, the highest ratio recorded in the whole region. The shares of currency in circulation and demand deposits were nearly equal amounting to 11.5 per cent and 11.3 per cent of the

.../

total, respectively. The high level of time and saving deposits may be attributed to the relative progress and health of the banking sector, the high interest rates and the lack of investment outlets under the prevailing circumstances.

Jordan's compostion of money supply reflected a position falling between that of Lebanon and the Syrian Arab Republic whereby currency in circulation constituted 33.5 per cent, demand deposits 22.6 per cent, and time and savings deposits 43.9 per cent of total money supply in 1982.

C. Regional Financial Institutions and Lending Activities

The substantial financial surpluses which accumulated during the seventies were largely channelled to three main areas: 1) held as deposits with Western banks including purchases of foreign assets; 2) establishment of Arab banks and consortia; and, 3) extension of bilateral and multilatereal aid to other developing countries. This section briefly examines developments in the last two areas.

Arab banks have succeeded in consolidating their position in the international financial market during the early eighties, following their impressive entry into this market in the seventies. The Arab banks' main initial concern was to gainfully deploy the financial surpluses of the region. However, as the money and capital markets in the region, in terms of number and size of financial institutions and their experience, were not ready to assume such a task, the bulk of these surpluses was deposited in Western banks which, *inter alia*, prompted Arab banks to engage in Euromarket operations.

During the period 1977 - mid-1983, Arab banks' share of total world lending increased from 2 per cent to 10 per cent. Total syndicated loans amounted to $ 32 billion of which about 44 per cent was extended to Arab borrowers, 19 per cent to Western Europe, 15 per cent to Latin American and 13 per cent to Asian borrowers. The two leading Arab banks involved in the process were the Gulf International Bank (GIB) and the Arab Banking Corporation (ABC) with a total of $ 4.1 billion and $ 3.4 billion loans extended, respectively. The share of Arab banks outside the Gulf region declined from 70 per cent in 1977 to 25 per cent of total Arab banks lending in mid-1983, while that of the Bahrain-based off-shore banking units (OBUs) increased from 4 per cent to 30 per cent, and of Saudi Arabian banks increased from 2 per cent to 17.5 per cent 1/.

The volume of Arab syndicated lending went down in 1982 by 5.4 per cent due to the shortage of international liquidity and to increased

1/ For more details see: Mehran Nakhjavani , Arab Banks and the International Financial Markets, published by Middle East Petroleum and Economic Publications, Cyprus, Sept., 1983.

risks of default and re-scheduling of debts. During the first ten months of 1983, Arab Banks' syndicated lending continued to fall totalling $ 5.9 billion, a 35 per cent drop over the same period in 1982. Arab borrowers absorbed 56 per cent of Arab banks' lending, Western Europe 22.5 per cent and Asian borrowers 16.4 per cent. Gulf International Bank and Arab Banking Corporation remained the leading Arab banks. Lending has shifted away from Latin America in terms of both volume and share, in favour of Western Europe. The share of Arab banks' operations in the international bond market remained insignificant amounting to about 2 per cent.

By mid-1983, there were 74 offshore banking units (OBUs) in Bahrain compared to 55 in 1980, 65 in 1981 and 72 in 1982 1/. The GIB and ABC continued to also operate as the two leading OBUs. Total assets of OBUs increased from $ 50.7 billion in 1981 to $ 59 billion in 1982, an increase of 16.4 per cent. In 1983, however, they registered an increase of 6.3 per cent reaching $ 62.7 billion following a cyclical downturn until August 1983 when total assets dropped to a level of $ 56.79 billion. The rise during the last quarter of 1983 is mainly due to a steady increase in deposits from Arab countries which constituted $ 41.1 billion or 65.6 per cent of total liabilities. Loans to Arab countries amounted to $ 29.4 billion or 47 per cent of total assets.

Short-term assets, i.e. with maturity of less than six months, acocunted for more than three-quarters of total assets in 1982, compared to 22 per cent for assets with maturities of over 6 months.

The five main oil-exporting countries of the region, namely Iraq, Kuwait, Qatar, Saudi Arabia and UAE, appeared as the leading donors, providing in 1978 about 6 per cent of their combined GNP in aid to developing countries. Although the ratio of aid to GNP depicts a relative decline in subsequent years, it has by far surpassed the IDS target of 0.7 per cent and the ratio of 0.38 per cent registered for member countries of the Development Assistance Committee (DAC) of OECD in 1982. In absolute terms, the value of Arab aid peaked in 1980 at $ 9137 million, but fell to $ 6537 million in 1982 due to diminished oil revenues.

The bulk of concessional aid by the five member countries of ECWA has been bilateral and subject to non-economic considerations. Some recipient countries in the region received the largest share of bilateral

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1/ Registration fees were raised effective 1984 by five-fold from BD 10,000 - 50,000 for institutions set up by Amiri Decree (GIB, ABC and the Arab Insurance Group), whereas ordinary OBUs have to pay annual charges of BD 2500 instead of BD 250 payable until the end of 1984.

aid as a result of the decisions of several Arab summits to provide the "confrontation states" i.e. Jordan and the Syrian Arab Republic with general support. The share of ECWA member countries and other Arab countries is, however, declining in favour of African and Asian countries. Budget and balance of payment support constitute a predominant part of bilateral aid.

Multilateral aid, channelled through Arab Funds and aid agencies, increased both in relative and absolute terms in 1982. This is a result of the increase in their financial resources whereby the capital of most Arab funds was remarkably increased in the last few years and their geographical coverage was extended to include other developing countries in Africa and Asia.

Moreover, project financing appeared to attract more aid, with transport and telecommunications projects and power projects having received more than half of total commitments. ECWA member countries received 21 per cent, other Arab countries about 30 per cent, Asian countries, 26 per cent, and African countries 20 per cent of total commitments. The most active institutions were the Kuwait Fund for Arab Economic Development followed by the Saudi Fund and the Islamic Development Bank.

The importance of Arab aid agencies stems not only from the development aid they extend to Arab and other developing countries but also in their ability to mobilize additional financial resources from foreign sources. Arab funds have been increasingly participating with other foreign and international organizations to co-finance development projects in developing countries.

Conclusions

While the substantial increases in revenues, which accrued to the oil-exporting countries of ECWA during the seventies, were veiwed as a belssing their side effects in certain instances were perhaps unavoidable. For one thing, the upsurge increased the dependence of these countries on the oil sector. The abundance of financial resources made the need for financial planning and management a secondary priority area in resource mobilization and allocation. Consequently, budetary expenditures rapidly increased without adequate scrutiny of the feasibility and/or utility considerations. In the absence of other complementary instruments of public policy, excessive reliance on government expenditures reflected itself inter alia, on the level of prices. Higher oil revenues did not create the need to use the tax system as an instrument of economic tax policy in raising government revenues, thus, leaving the GDP ratio among the lowest in the world. It has neither helped in resource allocation. However, the subsequent sharp decline in oil revenues have highlighted the need, especially for a reappraisal of fiscal policies in these countries aimed at achieving better resource mobilization and allocation commensurate with development objectives and needs.

.../

As for the non-oil countries of Western Asia, the substantial amounts of aid, from the oil-exporting countries, brought about remarkable increases in their budgetary outlays, both current and development, only to be contracted with the fall in the flow of aid. Although these countries do not face severe debt problems more emphasis should be put on better mobilization of domestic resources thus increasing the level of saving and investment commensurate with the objectives of the IDS.

Both oil and non-oil countries of Western Asia continue to maintain budgetary systems that do not adequately meet the requirements of efficient and effective economic management by the government. The use of budgetary techniques, based on economic and functional classification of government transactions or programme and performance budgeting along with their corresponding accounting and auditing systems, has not yet made a headway in most cases.

ANNEX TABLES

Annex Table 1. Government Expenditures and their Ratio to GDP [a/] in Countries of Western Asia 1978 - 1983

(millions of national currencies)

Country	1978	1979	1980	1981	1982 [b/]	1983 [c/]
Oil Exporting						
Bahrain						
Total Expenditures	285.3	254.5	316.8	381.6	453.8	576.9
	(30.6)	(25.0)	(22.5)	(24.0)	(26.2)	(...)
Current	137.0	156.8	192.3	231.4	279.4	317.2
	(14.7)	(15.4)	(13.7)	(14.6)	(16.1)	(...)
Development	148.3	97.7	124.5	150.2	174.4	259.7
	(15.9)	(9.6)	(8.8)	(9.4)	(10.1)	(...)
Iraq						
Total Expenditures [d/]	4650.0	5922.3	9015.3	11920.6	12049.8	13290.0
	(67.4)	(52.0)	(57.0)	(126.9)	(124.1)	(...)
Current	1850.0	2639.3	3775.3	5177.8	5349.8	7940.0
	(26.8)	(23.2)	(23.9)	(55.1)	(55.1)	(...)
Development	2800.0	3283.0	5240.0	6742.0	6700.0	5350.0
	(40.6)	(28.8)	(33.1)	(71.8)	(69.0)	(...)
Kuwait [e/]						
Total Expenditures	1655.5	1728.3	2293.2	2702.8	2813.8	3113.5
	(39.5)	(25.6)	(30.8)	(39.9)	(48.7	(...)
Current	973.2	1326.5	1617.4	1820.9	2024.0	2338.1
	(23.2)	(19.7)	(21.7)	(26.9)	(35.0)	(...)
Development	682.3	401.9	675.8	882.0	789.8	725.3
	(16.3)	(6.0)	(9.1)	(13.0)	(13.7)	(...)
Oman [e/]						
Total Expenditures	560.1	650.4	925.0	1174.3	1364.4	1553.8
	(62.7)	(55.5)	(47.3)	(49.5)	(54.8)	(...)
Current	437.4	457.3	678.3	856.9	970.2	1056.8
	(49.0)	(39.0)	(34.7)	(36.1)	(39.0)	(...)
Development	122.7	193.1	246.7	317.4	395.2	497.0
	(13.7)	(16.5)	(12.6)	(13.4)	(15.9)	(...)
Qatar [e/]						
Total Expenditures	6473.0	8270.0	10937.0	14743.0	12619.0 [g/]	14194.8
	(41.2)	(38.0)	(37.8)	(46.3)	(43.8)	(...)
Current	3937.0	5840.0	7677.0	11113.0	7552.0	10344.8
	(25.3)	(26.8)	(26.6)	(34.9)	(26.2)	(...)
Development	2536.0	2430.0	3260.0	3630.0	5067.0	3850.8
	(15.9)	(11.2)	(11.3)	(11.4)	(17.6)	(...)

Annex Table 1 Government Expenditures (Cont'd.)

Country	1978	1979	1980	1981	1982 b/	1983 c/
Saudi Arabia e/						
Total Expenditures	138048.0	147971.0	188363.0	236570.0	284648.0	243796.0
	(61.2)	(59.3)	(48.8)	(45.4)	(54.2)	(...)
Current	...	71617.0	83867.0	113500.0	144000.0	115600.0
	(...)	(28.5)	(21.7)	(21.8)	(27.4)	(...)
Development	(...)	76954.0	104496.0	123100.0	140700.0	128200.0
	(...)	(30.8)	(27.1)	(23.6)	(26.8)	(...)
United Arab Emirates e/						
Total Expenditures h/	7007.6	8459.8	15067.1	20365.9	22259.5	18406.0
	(11.6)	(10.6)	(13.7)	(17.1)	(19.6)	(...)
Current	5853.4	7362.4	12220.1	17547.3	18719.6	16170.0
	(9.6)	(9.2)	(11.1)	(14.7)	(16.5)	(...)
Development	1154.2	1097.4	2847.0	2818.6	3539.9	2236.0
	(1.9)	(1.4)	(2.6)	(2.4)	(3.1)	(...)
Non-Oil Economies						
Jordan						
Total Expenditures	361.5	515.7	563.1	647.1	722.2	775.2
	(56.1)	(67.2)	(56.4)	(53.6)	(52.8)	(...)
Current	212.9	321.3	336.1	391.5	455.3	471.4
	(33.0)	(41.9)	(33.7)	(32.5)	(33.3)	(...)
Development	148.6	194.3	227.0	255.6	266.9	303.8
	(23.1)	(25.3)	(22.7)	(21.2)	(19.5)	(...)
Lebanon i/						
Total Expenditures	2260.0	2805.0	4700.0	5220.0	5945.0 c/	8610.0
	(25.7)	(25.2)	(32.0)	(31.6)	(48.7)	(...)
Current	1667.9	2080.3	3980.0	4560.0	4669.0	...
	(19.0)	(18.7)	(27.2)	(27.6)	(38.2)	(...)
Development	592.1	724.7	720.0	660.0	1276.0	...
	(6.7)	(6.5)	(4.9)	(4.0)	(10.4)	(...)
Syrian Arab Republic c/						
Total Expenditures	18480.0	22849.1	29350.0	31019.0	33345.0	37253.0
	(56.5)	(58.1)	(56.7)	(46.6)	(46.0)	(...)
Current	7738.2	11722.1	14728.0	16513.0	16750.0	18671.8
	(23.7)	(29.8)	(28.4)	(24.8)	(23.1)	(...)
Development	10741.8	11172.0	14622.0	14506.0	16595.0	18581.2
	(32.8)	(28.3)	(28.2)	(21.8)	(22.9)	(...)

Annex Table 1 Government Expenditures (Cont'd.)

Country	1978	1979	1980	1981	1982 b/	1983 c/
Least Developed Countries						
Democratic Yemen						
Total Expenditures	121.1	123.7	157.6	230.5	318.1 c/	...
	(64.2)	(55.1)	(67.4)	(79.9)	(99.0)	(...)
Current	61.4	71.7	96.7	139.4	164.4	...
	(32.6)	(32.0)	(41.4)	(48.3)	(51.2)	(...)
Development	59.7	52.0	60.9	91.2	153.8	...
	(31.7)	(23.2)	(26.0)	(31.6)	(47.9)	(...)
Yemen						
Total Expenditures	2417.4	4464.9	5023.7 j/	6835.3	8474.2	8720.0
	(23.8)	(37.5)	(39.8)	(52.1)	(57.9)	(...)
Current	1847.2	2427.4	3108.6	3325.3	4489.5	...
	(18.2)	(20.4)	(24.6)	(25.4)	(30.7)	(...)
Development	570.2	2037.5	1915.1	3510.0	3984.7	...
	(5.6)	(17.1)	(15.2)	(26.8)	(27.2)	(...)

Source: ECWA, based on national and international sources.

a) Figures in parenthesis represent percentages of GDP. GDP of 1982 is provisionsl. Where necessary, components of totals have been rounded.

b) Provisional actual

c) Budget estimates

d) Current expenditure is actual while development expenditure reflects budget allocations. Public enterprises budget is not included for purposes of comparison.

e) Fiscal year does not coincide with calendar year; in Oman it coincides with calendar year since 1982.

f) Domestic expenditures which also exclude transfers abroad.

g) The 1982 budget is an 18 month budget ending in April 1983.

h) Development expenditure includes equity participation.

i) Provisional estimates of the IMF.

j) As of 1980, fiscal year coincides with calendar year.

(...) denotes data not available.

Annex Table 2. Government Revenues and their Ratio to GDP [a/] in Countries of Western Asia 1978 - 1983

(millions of national currencies)

Country	1978	1979	1980	1981	1982 [b/]	1983
Oil-exporting						
Bahrain						
Total Revenues	273.9	304.3	445.6	536.7	554.6	530.0
	(29.4)	(29.9)	(31.6)	(33.8)	(32.0)	(...)
Tax	26.6	28.9	29.5	33.2	41.2	...
	(2.9)	(2.8)	(2.1)	(2.1)	(2.4)	(...)
Non-tax	247.3	275.4	416.1	503.5	513.4	...
	(26.6)	(27.1)	(29.6)	(31.7)	(29.6)	(...)
Iraq						
Total ordinary revenues	1850.0 [d/]	2566.5	6260.6	4010.0	3690.0	...
	(26.8)	(22.5)	(39.6)	(42.7)	(38.0)	(...)
Tax	258.2	...	...	...	...	...
	(3.7)	(...)	(...)	(...)	(...)	(...)
Non-tax	1591.8	...	...	...	...	...
	(23.1)	(...)	(...)	(...)	(...)	(...)
Revenues allocated to development plan	2800.0	3283.0	5213.11	...	...	...
Kuwait [e/]						
Total revenues	3096.7	3285.5	6145.6	4675.9	3008.6	3206.0
	(73.8)	(48.7)	(82.5)	(69.0)	(52.1)	(...)
Tax	323.3	148.5	208.9	260.5	214.6	226.5
	(7.7)	(2.2)	(2.8)	(3.8)	(3.7)	(...)
Non-tax	2773.4	3137.0	5936.6	4415.4	2794.0	2979.5
	(66.1)	(46.5)	(79.7)	(65.2)	(48.4)	(...)
Oman [e/]						
Total revenues	602.3	692.2	923.7	1262.2	1175.4	1320.0
	(56.0)	(58.7)	(47.2)	(53.2)	(47.2)	(...)
Tax	19.8	24.6	98.3	39.6	43.9	34.2
	(2.2)	(2.1)	(1.4)	(1.7)	(1.8)	(...)
Non-tax	482.5	667.6	895.4	1222.6	1131.5	1285.8
	(53.8)	(56.6)	(45.8)	(51.6)	(45.5)	(...)

Annex Table 2 Government Revenues (Cont'd.)

Country	1978	1979	1980	1981	1982 b/	1983 c/
Qatar e/						
Total revenues	8225.1	12090.0	19004.0	19243.0	13671.0 f/	8725.3
	(52.4)	(53.9)	(65.8)	(60.4)	(47.4)	(...)
Tax	112.6	115.0	...	...	...	...
	(0.7)	(0.5)	(...)	(...)	(...)	(...)
Non-tax	8112.5	11628.0	...	...	...	...
	(51.6)	(53.4)	(...)	(...)	(...)	(...)
Saudi Arabia e/						
Total revenues	130659.0	131505.0	211196.0	348119.0	368006.0	246256.0
	(58.0)	(52.7)	(54.7)	(66.9)	(70.1)	(...)
Tax	4936.0	6379.0	...	...	...	...
	(2.2)	(2.6)	(...)	(...)	(...)	(...)
Non-tax	125723.0	125125.0	...	...	...	...
	(55.8)	(50.1)	(...)	(...)	(...)	(...)
United Arab Emirates e/						
Total revenues	6973.9	8682.2	17386.3	22592.3	19959.5	12900.0
	(11.5)	(10.9)	(15.8)	(20.6)	(16.7)	(11.4)
Tax	...	...	...	...	...	...
	(...)	(...)	(...)	(...)	(...)	(...)
Non-tax	...	...	...	...	...	...
	(...)	(...)	(...)	(...)	(...)	(...)
Non-Oil Economies						
Jordan						
Total revenues	330.9	435.8	507.0	598.5	648.2	...
Total domestic revenues	158.5	187.9	226.1	309.2	359.2	424.0
	(24.6)	(24.5)	(22.6)	(25.6)	(26.3)	(...)
Tax	123.3	151.1	174.7	233.0	261.5	...
	(19.1)	(19.7)	(17.5)	(19.3)	(19.1)	(...)
Non-tax	35.2	36.8	51.4	76.2	97.7	...
	(5.5)	(4.8)	(5.2)	(6.3)	(7.2)	(...)
Lebanon						
Total revenues g/	1635.0	1813.0	2908.0	3255.0	3024.0	5080.0
	(18.6)	(16.3)	(19.8)	(19.7)	(24.8)	(...)
Tax	930.0	1025.0	1040.0	790.0	935.0	...
	(10.6)	(9.2)	(7.1)	(4.8)	(7.7)	(...)
Non-tax	705.0	788.0	1868.0	2465.0	2089.0	...
	(8.0)	(7.1)	(12.7)	(14.9)	(17.1)	(...)

Annex Table 2. Government Revenues (Cont'd.)

Country	1978	1979	1980	1981	1982 b/	1983 c/
Syrian Arab Republic c/						
Total revenues	18480.0	22849.1	28903.0	30480.0	33345.0	37253.0
	(56.5)	(58.1)	(55.8)	(45.8)	(46.0)	(...)
Tax	2992.4	3024.3	4212.9	5519.6	7947.0	9582.9
	(9.1)	(7.7)	(8.1)	(8.3)	(11.0)	(...)
Non-tax	15487.6	19824.8	24690.1	24960.4	25398.0	27670.1
	(47.4)	(50.4)	(47.7)	(37.5)	(35.0)	(...)
Least Developed Countries						
Democratic Yemen						
Total revenues	46.5	54.3	87.2	105.2	99.5 c/	...
	(24.7)	(29.2)	(37.3)	(36.5)	(31.0)	
Tax	33.6	43.1	68.8	87.9	81.1	...
	(17.8)	(23.2)	(29.4)	(30.5)	(25.2)	(...)
Non-tax	12.9	11.2	18.4	17.4	18.4	...
	(6.8)	(6.0)	(7.9)	(6.0)	(5.7)	(...)
Yemen						
Total current revenues	2146.5	2674.1	3187.9 h/	3329.2	5120.9	5460.0
	(21.1)	(22.4)	(25.2)	(25.4)	(35.0)	(...)
Tax	1731.8	2078.7	2374.4	2308.1	3568.5	...
	(17.0)	(17.4)	(18.8)	(17.6)	(24.4)	(...)
Non-tax	414.7	595.4	813.5	1020.9	1552.4	...
	(4.1)	(5.0)	(6.4)	(7.8)	(10.6)	(...)

Source: ECWA, based on national and international sources.

a) Figures in paranthesis represent percentages of GDP at current prices; GDP for 1982 is provisional. Where necessary, components of totals have been rounded.

b) Provisional actual

c) Budget estimates

d) 1978 revenues are budgetary estimates, while the 1979, 1980, 1981 and 1982 are actual revenues for which the breakdown is not available.

e) Fiscal year; in Oman, as of 1982, fiscal year coincides with calendar year.

f) The 1982 budget is an 18 month budget ending in April 1983.

g) Includes foreign aid except for 1978.

h) Since 1980, fiscal year coincides with calendar year.

(...) = data not available.

Annex Table 3. Percentage Change in Government Expenditures and Revenues 1978 - 1983

Countries	1979	1980	1981	1982	1983
Bahrain					
% increase in government expenditures	-10.8	24.5	20.4	18.9	27.1
% increase in government revenues	11.1	46.4	20.4	3.3	-4.4
Iraq					
% increase in government expenditures	27.4	52.2	32.2	1.1	10.3
% increase in government revenues	21.2	143.9	-36.0	-8.0	...
Kuwait					
% increase in government expenditures	4.4	32.6	17.9	4.1	10.6
% increase in government revenues	6.1	87.0	-23.9	-35.7	6.6
Oman					
% increase in government expenditures	16.1	42.2	27.0	16.2	13.9
% increase in government revenues	37.8	33.4	36.6	-6.9	12.3
Qatar					
% increase in government expenditures	27.8	32.2	34.8	-14.4	12.5
% increase in government revenues	47.0	57.2	1.3	-29.0	-36.1
Saudi Arabia					
% increase in government expenditures	7.2	27.3	25.6	20.3	-14.4
% increase in government revenues	0.65	60.6	64.8	5.7	-33.1
United Arab Emirates					
% increase in government expenditures	20.7	78.1	35.2	9.3	-17.3
% increase in government revenues	24.5	100.2	29.9	-11.6	-35.4
Jordan					
% increase in government expenditures	42.7	9.2	14.9	11.6	7.3
% increase in government revenues	18.6	20.3	36.8	16.2	18.0
Lebanon					
% increase in government expenditures	24.1	67.6	11.1	13.9	44.8
% increase in government revenues	10.9	60.4	11.9	-7.1	68.0
Syrian Arab Republic					
% increase in government expenditures	23.6	28.4	5.7	7.5	11.7
% increase in government revenues	23.6	26.5	5.5	9.4	11.7

Cont'd..2/

Annex Table 3 (cont'd)

Countries	1979	1980	1981	1982	1983
Democratic Yemen					
% increase in government expenditures	2.2	27.4	46.3	38.0	...
% increase in government revenues	16.8	60.6	20.6	-5.4	...
Yemen					
% increase in government expenditures	84.7	12.5	36.1	24.0	2.9
% increase in government revenues	24.6	19.2	4.4	53.8	6.6

Source: ECWA Tables (1) and (2) on Government Expenditures and Revenues

Annex Table 4. Budgetary Surplus or Deficit[a/] and Its Ratio to GDP, 1980 - 1983

(million of national currencies)

Country	1980	1981	1982	1983
Oil Exporting				
Bahrain	128.8	155.1	100.8	-46.9
	(9.2)	(9.8)	(5.8)	(...)
Iraq	2485.3	-1167.8	-1659.8	...
	(15.7)	(12.4)	(17.0)	(...)
Kuwait	3852.4	1973.1	194.8	92.5
	(51.7)	(29.1)	(3.4)	(...)
Oman	- 1.3	87.9	-189.0	-233.0
	(0.07)	(3.7)	(7.6)	(...)
Qatar	8067.0	4500.0	1052.0	-5459.5
	(27.9)	(14.1)	(3.6)	(...)
Saudi Arabia	22833.0	111549.0	83158.0	2460.0
	(5.9)	(21.4)	(15.9)	(...)
United Arab Emirates	2319.2	2226.4	-2300.0	-5506.0
	(2.1)	(1.9)	(2.0)	(...)
Non Oil Economies				
Jordan	-56.1	-48.6	-74.1	-13.4
	(5.6)	(4.0)	(5.4)	(...)
Lebanon	-1792.0	-1965.0	-2921.0	...
	(12.2)	(11.9)	(23.9)	(...)
Syrian Arab Republic	-11096.0	-10483.0	-13161.0	...
	(21.4)	(15.8)	(18.2)	(...)
Democratic Yemen	-70.4	-125.3	-218.6	...
	(30.1)	(43.4)	(68.0)	(...)

Source: ECWA, based on national and international sources.

a/ Negative sign indicates a deficit. Figures in parenthesis are ratios to GDP at current prices.

b/ If grants are included, the deficit would be SL-5130.0 in 1980 and SL-4125.0 million in 1981. Figures for grants in in 1982 are not available.

Annex Table 5. **Money Supply in Countries of Western Asia*, 1978-1983**

(millions of national currencies)

Country End of Period	Currency in Circulation Amount	Currency in Circulation % of total	Demand Deposits Amount	Demand Deposits % of total	Time & Saving Deposits[a/] Amount	Time & Saving Deposits[a/] % of total	Total Money Supply Amount	Total Money Supply % of total
Oil Exporting								
Bahrain								
1978	44.1	11.0	127.2	31.6	231.0	57.4	402,3	100
1979	49.9	12.1	136.2	33.1	225.8	54.8	411.9	100
1980	58.3	11.1	133.9	25.6	331.8	63.3	524.1	100
1981	63.4	8.7	185.4	25.4	481.8	66.0	730.6	100
1982	71.5	9.2	196.5	25.2	513.3	65.7	781.3	100
1983[b/]	73.7	9.4	188.0	24.0	522.9	66,6	784.5	100
Kuwait								
1978	177.0	9.1	422.0	21.6	1351.3	69.3	1950.3	100
1979	215.9	9.4	410.6	17.9	1663.2	72.6	2289.7	100
1980	251.3	8.8	418.4	14.6	2187.8	76.6	2857.5	100
1981	284.7	7.4	930.1	24.0	2652.9	68.6	3867.8	100
1982	342.7	8.2	837.0	20.0	3003.1	71.8	4182.8	100
1983[b/]	368.4	8.6	914.0	21.4	2985.7	70.0	4268.4	100
Oman								
1978	64.4	28.5	53.7	23.8	107.6	47.7	225.7	100
1979	74.3	30.6	50.3	20.7	118.5	48.8	243.1	100
1980	94.8	29.7	65.3	20.5	159.1	49.8	319.2	100
181	116.2	26.2	101.5	22.8	226.6	51.0	444.3	100
1982	129.8	23.4	125.8	22.7	299.6	54.9	555.2	100
1983[b/]	137.8	23.6	130.0	22.3	315.2	54.1	583.0	100
Qatar								
1978	573.3	13.9	1733.2	42.1	1609.0	44.0	4115.5	100
1979	715.1	15.8	1776.4	39.4	2019.8	44.8	4511.3	100
1980	811.1	15.4	1466.0	27.8	3003.0	56.9	5277.1	100
1981	991.5	13.3	2411.6	32.3	4072.0	54.5	7475.1	100
1982	1151.3	13.4	2643,5	30.9	4772.1	56.7	8566.9	100
1983[b/]	1147.3	13.8	2473.7	29.8	4677.0	56.4	8298.0	100

Annex Table 5. **Money Supply in Western Asia* 1978-1983** (Cont'd.)

(millions of national currencies)

Country	Currency in Circulation		Demand Deposits		Time & Saving Deposits a/		Total Money Supply	
End of Period	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Oil Exporting								
Saudi Arabia								
1978	17969.6	37.2	27327.4	56.5	3060.2	6.3	48357.2	100
1979	21009.6	38.4	29476.3	53.9	4165.2	7.6	54651.1	100
1980	25198.8	37.5	30448.5	45.3	11630.0 c/	17.3	67277.0 c/	100
1981	26144.0	31.4	37265.0	44.7	19994.0 c/	24.0	83404.0 c/	100
1982	30421.0	29.6	46167.0	44.8	26367.0	25.6	102954.7	100
1983 b/	35280.6	30.4	51761.9	44.6	29050.3	25.0	116092.8	100
United Arab Emirates								
1978	1703.5	9.7	4072.3	23.2	11816.8	67.2	17592.6	100
1979	1965.2	10.8	4303.1	23.6	11972.8	65.6	18241.1	100
1980	2142.5	9.1	5211.8	22.1	16239.5	68.8	23593.8	100
1981	2770.8	9.5	6198.0	21.2	20196.3	69.2	29165.1	100
1982	2949.0	9.5	6335.0	20.4	21813.0	70.2	31097.0	100
1983 b/	...		...		...		...	
Non-Oil Economies								
Jordan								
1978	219.5	36.2	155.9	25.7	231.3	38.1	606.7	100
1979	275.4	35.6	197.3	25.5	300.4	38.9	773.1	100
1980	351.6	35.7	243.1	24.7	390.0	39.6	984.8	100
1981	412.3	34.9	289.3	24.5	478.2	40.5	1179.9	100
1982	470.0	33.5	317.5	22.6	615.8	43.9	1403.3	100
1983 b/	488.7	33.5	315.6	21.6	653.6	44.8	1458.2	100

Annex Table 5. Money Supply in Western Asia* 1978-1983 (cont'd)

(millions of national currencies)

Country	Currency in Circulation		Demand Deposits		Time & Saving Deposits[a/]		Total Money Supply	
End of Period	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Non-Oil Exporting								
Lebanon								
1978	3286.0	19.1	2862.0	16.6	11081.0	64.3	17229.0	100
1979	3506.0	16.0	3178.0	14.5	15184.0	69.4	21868.0	100
1980	3982.0	13.8	3684.0	12.8	21160.0	73.4	28826.0	100
1981	4625.0	11.4	4380.0	10.8	31392.0	77.7	40397.0	100
1982	5582.0	11.5	5488.0	11.3	37487.0	77.2	48557.0	100
1983[b/]	5583.0	10.2	5524.0	10.1	43655.0	79.7	54762.0	100
Syrian Arab Republic								
1978	8458.9	56.0	5408.2	35.8	1248.1	8.3	15115.2	100
1979	9903.0	56.4	6106.0	34.8	1533.6	8.7	17542.6	100
1980	13421.7	56.6	8433.5	35.5	1873.1	7.9	23727.3	100
1981	14046.0	51.1	10785.8	39.2	2655.1	9.7	27486.1	100
1982	17347.5	52.4	12170.8	36.8	3590.4	10.8	33108.7	100
1983[b/]	...	.	...		...		...	
Least Developed Countries								
Democratic Yemen								
1978	116.6	69.4	27.0	16.1	24.3	14.5	167.9	100
1979	143.5	66.0	41.4	19.1	32.5	15.0	217.4	100
1980	171.1	59.8	63.5	22.2	51.5	18.0	286.1	100
1981	192.6	59.8	66.5	20.7	62.7	19.5	321.8	100
1982	219.0	57.8	79.8	21.0	80.3	21.2	379.1	100
1983[b/]	...		...		...		...	

Annex Table 5. **Money Supply in Western Asia* 1978-1983** (Cont'd.)

(millions of national currencies)

Country	Currency in Circulation		Demand Deposits		Time & Saving Deposits a/		Total Money Supply	
End of Period	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Least Developed Countries								
Yemen								
1978	4480.9	77.4	767.4	13.2	542.1	9.4	5790.4	100
1979	5536.9	77.8	747.3	10.5	804.7	11.3	7115.9	100
1980	6894.5	79.7	688.0	8.0	1065.6	12.3	8648.1	100
1981	7043.5	75.0	891.8	9.5	1453.5	15.5	9388.8	100
1982	8940.5	74.6	1332.5	11.1	1705.2	14.2	11978.2	100
1983 b/	...		...		...		...	

Source: ECWA, based on national and international sources.

*/ Figures for Iraq are not available.

a/ Referred to as quasi money in Jordan and Kuwait; includes foreign currency deposits in Lebanon, Qatar, the Syrian Arab Republic, and the UAE.

b/ 1983 figures are for the first quarter, except for Kuwait where they are for the second quarter.

c/ Necessary adjustments made by SAMA to Time and Saving Deposits.

(...) denotes data not available.

Annex Table 6. Annual Percentage Increase in Money Supply, 1978-1982

Country/Year	Currency in Circulation	Demand Deposits	Time and Saving Deposits	Total
Bahrain				
1979	13.2	7.1	-2.2	2.4
1980	16.8	-1.7	46.9	27.2
1981	8.8	38.5	45.2	39.4
1982	12.8	6.0	6.5	6.9
Kuwait				
1979	22.6	-2.7	23.1	17.4
1980	16.4	1.9	31.5	24.8
1981	13.3	122.3	21.3	35.4
1982	20.4	-10.0	13.2	8.1
Oman				
1979	15.4	-6.3	10.1	7.7
1980	27.6	29.8	34.3	31.3
1981	22.6	55.4	42.4	39.2
1982	11.7	23.9	32.2	25.0
Qatar				
1979	24.7	2.5	11.6	9.6
1980	13.4	-17.5	48.7	17.0
1981	22.2	64.5	35.6	41.6
1982	16.1	9.6	17.2	14.6
Saudi Arabia				
1979	16.9	7.9	36.1	13.0
1980	19.9	3.3	179.2	23.1
1981	3.8	22.4	71.9	24.0
1982	16.4	23.9	31.9	23.4
United Arab Emirates				
1979	15.4	5.7	1.3	3.7
1980	9.2	21.1	35.6	29.3
1981	29.3	18.9	24.4	23.6
1982	6.4	2.2	8.0	6.6

Annex Table 6. Annual Percentage Increase in Money Supply (Cont'd.)

Jordan				
1979	25.5	26.6	29.9	27.4
1980	27.7	23.2	29.8	27.4
1981	17.3	19.0	22.6	19.8
1982	14.0	9.8	28.8	18.9
Lebanon				
1979	6.7	11.0	37.0	26.9
1980	13.6	15.9	39.4	31.8
1981	16.2	18.9	48.4	40.1
1982	20.7	25.3	19.4	20.2
Syrian Arab Republic				
1979	17.1	12.9	22.9	16.1
1980	35.5	38.1	22.1	35.3
1981	4.6	27.9	41.8	15.8
1982	23.5	12.8	35.2	20.5
Democratic Yemen				
1979	23.1	53.3	33.7	29.5
1980	19.2	53.4	58.5	31.6
1981	12.6	4.7	21.8	12.5
1982	13.7	20.0	28.1	17.8
Yemen				
1979	23.6	-2.6	48.4	22.9
1980	24.5	-7.9	32.4	21.5
1981	2.2	29.6	36.4	8.6
1982	26.9	49.4	17.3	27.6

Source: Table (5) on Money Supply.

Annex Table 7. Outstanding Public Debt in Selected Countries of Western Asia, 1978-1981

(In million U.S. dollars)

Country	1978	1979	1980	1981
Democratic Yemen				
Public debt outstanding disbursed	330.0	403.2	498.9	639.8
Public debt outstanding including undisbursed	579.9	890.7	1240.7	1270.9
Jordan				
Public debt outstanding disbursed	841.1	1048.0	1266.2	1419.2
Public debt outstanding including undisbursed	1669.1	1928.7	2502.9	2276.8
Lebanon				
Public debt outstanding disbursed	47.7	94.9	194.0	246.2
Public debt outstanding including undisbursed	379.3	423.4	425.1	384.8
Oman				
Public debt outstanding disbursed	562.1	631.9	449.7	556.2
Public debt outstanding including undisbursed	994.6	759.7	869.5	841.9
Syrian Arab Republic				
Public debt outstanding disbursed	1915.4	2184.8	2269.3	2336.6
Public debt outstanding including undisbursed	4020.9	4311.8	4268.7	3978.2
Yemen				
Public debt outstanding disbursed	469.8	472.6	876.4	1093.8
Public debt outstanding including undisbursed	1088.9	1461.6	1631.8	1746.9

Source: World Debt Tables, The World Bank, 1982-83 Edition.

Annex Table 8. Projected Public Debt Servicing of Selected Countries in Western Asia 1982 - 1989

(In millions U.S. dollars)

Countries	1982	1983	1984	1985	1986	1987	1988	1989
Democratic Yemen	48.2	98.3	104.3	112.1	116.6	116.4	114.4	111.3
Official creditors	48.2	98.3	104.3	112.1	116.6	116.4	114.4	111.3
Private creditors	-	-	-	-	-	-	-	-
Jordan	218.3	246.2	255.2	249.7	228.6	223.2	208.9	193.5
Official creditors	112.5	148.2	166.1	181.3	181.9	180.3	176.7	173.1
Private creditors	105.8	98.0	89.0	68.4	46.7	42.9	32.2	20.4
Lebanon	69.3	66.7	64.0	61.3	29.4	29.1	28.4	27.0
Official creditors	23.7	26.0	27.8	29.7	29.4	29.1	28.4	27.0
Private creditors	45.6	40.7	36.1	31.6	-	-	-	-
Oman	108.5	127.8	165.8	161.6	121.3	106.1	88.1	35.5
Official creditors	78.0	79.6	72.2	73.4	37.9	32.7	27.6	26.9
Private creditors	30.6	48.2	93.6	88.2	83.4	73.3	60.4	8.7
Syrian Arab Republic	452.5	497.2	472.4	414.2	374.5	362.0	307.7	294.5
Official creditors	403.6	460.6	449.8	399.2	366.5	356.4	302.8	290.1
Private creditors	48.9	36.6	22.6	15.1	8.0	5.5	4.8	4.4
Yemen	66.8	85.0	104.7	106.8	108.2	109.8	113.5	115.2
Official creditors	64.1	82.1	99.6	101.8	103.5	105.3	109.3	113.4
Private creditors	2.7	3.0	5.1	5.0	4.7	4.4	4.2	1.8

Source: World Debt Tables, The World Bank, 1982 - 83 Edition.