



NATIONAL BANK OF RWANDA
BANQUE NATIONALE DU RWANDA

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BANQUE NATIONALE DU RWANDA
NATIONAL BANK OF RWANDA



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Executive Summary

Rwanda's economy in 2003 developed in an unfavourable international economic environment linked mainly to the poor performance of capital markets and the rise in energy prices, a consequence of the geo-political situation in Iraq, among other things. However, the country registered an economic growth rate estimated at 3.4% in real terms, though this represents a significant drop compared to 9.4% recorded the previous year and the performance of the first two years of the Poverty Reduction and Growth Facility (PRGF) programme.

Despite the significant progress made in the secondary and tertiary sectors, the real sector of the economy was characterized by poor performance in agriculture as a result of unfavourable climatic conditions recorded in 2003, with disastrous consequences for some regions of the country such as Bugesera which was hit by famine. Food supplies declined considerably in several households in Rwanda, total production of food commodities having dropped from 7.1 thousand tons to 6.8 thousand tons against a continuously growing population.

In this context of poor agricultural production, supply of local food products remained low for almost the whole year and, coupled with the high cost of our imports from Europe (pharmaceuticals, alcoholic drinks and children's food) as a result of the appreciation of the Euro, inflation was higher during 2003 compared to the previous year.

In spite of the low growth level of GDP, public finance enjoyed considerably better conditions in services and in public works and construction (PWC) compared to agricultural activities. In nominal terms, tax revenues and non tax revenues increased by 20.8% and stood at RWF 122.3 billion compared to 101.2 billion the previous year, thanks to the efforts made in tax collection by Rwanda Revenue Authority.

However, fiscal deficit worsened considerably to 5.5% of GDP against 4.2% in 2002 due to the high current expenditures which rose from RWF 134.6 billion or 16.6% of GDP in 2002 to RWF 163.8 billion or 19.8% of GDP, mainly due to expenses associated with the end of the political transitional period.

Parallel to the deterioration of public finance deficit, the current external deficit deteriorated also, contributing sharply to the depreciation of RWF against hard currencies. Total balance of payments fell from a positive to a negative balance between 2002 and 2003. This situation was a result, on one hand, of the reduction by about 13.8% of the capital and financial operations account and, on the other, of the trade in goods and services the balances of which fell by 14.0% and 13.6% respectively. The country's exports recorded a big decline from a FOB value of 67.4 to 63.1 million US\$ between 2002 and 2003, against imports which increased from 204.1 to 217.7 millions US\$.

Total deficit of the balance of payments was financed to a large extent through the reduction of official reserves of the Central Bank to 5.6 months of imports of goods and services, while for the year 2002, the level of this indicator represented 7 months of imports. It should be pointed out that the country received exceptional financing consisting of debt rescheduling by Kuwait Fund and debt service arrears were written-off by some bilateral donors.

Concerning the monetary sector, it is worth noting that public finance in 2003 and the mode of its financing seriously threatened the country's monetary stability, due to increased demand for domestic

financing of an inflationary nature. The exceptional increase in funding of the economy resulted in considerable monetary expansion, thus contributing to the rise of inflation estimated at 7.7% against the annual target of 4.4%. Money increased at an estimated rate of 16.1% compared to 9.2% envisaged in the monetary programme for the year. In this context, National Bank of Rwanda was compelled to increase its interventions mainly in the money market in order to keep the development of the liquidity of the banking system within limits.

With regard to its principal missions, the Bank ensured better monetary policy implementation with a view to preserving the value of the national currency and ensuring its stability. In 2003, it implemented a prudent monetary policy which was adapted to the economic conditions of the time, so as to support the Government's economic policy as defined in a comprehensive and coherent macro-economic framework.

In the field of foreign exchange, the Bank organized and managed carefully the exchange market by spelling out clearly the conditions governing exchange operations, in order to maintain the external stability of the Rwandan franc. In this regard, street money changers were organized into associations which were established and authorized by NBR. NBR's periodic interventions on the foreign exchange market aimed at meeting to the extent possible foreign exchange demand of commercial banks and other partners.

Concerning money issuing related activities, several actions were carried out by the Bank, such as the supply of banknotes and coins, the issue of new banknotes and the destruction of notes unfit for circulation, with a view to ensuring sound management of money in circulation. And in conformity with the decision of the Government to issue new currency symbols bearing the new coat of arms of the Republic, NBR initiated an intense activity of replacing banknotes and coins in circulation. Thus in 2003, a new RWF 100 banknote was put in circulation, as will be new banknotes of RWF 5000, 1000 and 500 as well as new coins in 2004. Other activities, including clearing house operations, importation of foreign currency and banknotes counterfeiting control - an operation carried out in collaboration with the National Police - were successfully implemented.

With regard to the management of foreign exchange reserves, the Bank adopted a new investment policy, 'Investment Guidelines', for foreign currency resources under its management. In order to realize a better output, the Bank carried out a reform of the operations framework of its Investment Committee and, with the support of Crown Agents, developed an advanced training programme for its employees responsible for investment in investment strategies on the international capital market.

The Bank fulfilled its statutory mission of supervising and monitoring the banking and financial system through surveillance activities (documents-based monitoring and on the spot inspection), strengthening the regulations, restructuring the Bank, streamlining banks' credit portfolio, documents-based and on the spot inspection of micro-finance institutions. The Bank strove particularly to restore the credit culture by putting in place an interbank mechanism aimed at limiting banking facilities for non performing borrowers. Finally, banks in financial difficulties were placed under strengthened supervision.

Within the framework of the modernization of the National Payment System, NBR has already developed a business plan for the Interbank Company for Electronic Banking and Clearing (SIMTEL). Likewise,

preparatory activities for the launching of the bank credit card payment operations have been accelerated and this facility might start in 2004.

With regard to the organization and management of the Bank, changes were effected and important reforms were carried out in different statutory organs in the administrative and social policy field and in training. The existing structure was not coherent with the changes made by the Bank since the introduction of important reforms in the field of financial liberalization in 1995. A new job classification was carried out and a new salary scale was put in place, based on job profiles. Likewise, new staff rules of the Bank were adopted, together with a logo for National Bank of Rwanda.

In order to continue building human resource capacity, the Bank's training policy was reviewed and priority was given to professional training courses in relation to the principal mission of the Bank. In this connection, 10 employees were admitted to the School of Banking and Finance to take vocational courses in accounting, and 7 others are doing a Masters Degree course in Finance and Banking at the same institute. Two other employees are studying a Masters Degree in other institutes. The Bank also financed short-term courses for some of its employees, locally or abroad.

Important actions have been carried out with regard to the Information and Communication System, including upgrading the computer network and BANKNET project: an interbank communication system. Through this system, the Bank will be able to improve the quality and the speed of the exchange of data with its different partners. At the same time, NBR has launched a project aimed at developing a procedures manual for all its operations, an exercise scheduled to be completed in 2004.

With a view to resolving security related problems, the Bank decided to put in place a comprehensive security system consisting of video-surveillance, anti-intrusion and fire detection. With regard to auditing of the Bank's operations, NBR, following the January 2003 restructuring, decided to set up an Internal Audit Department with the mission of ensuring control of the Bank's operations through a risk-based audit carried out in full autonomy and independence, in accordance with internationally recognized norms and good audit practices.

In February 2003, an IMF Safeguard Assessment Mission carried out a diagnosis of the appropriateness of NBR's safeguards. This diagnosis covered fields such as external audit mechanism, legal framework and independence of the central bank, financial information practices and internal control system. This exercise highlighted a number of weak points, and the mission made recommendations of priority measures to be taken in order to improve the situation.

In addition to this, the Mauritius-based audit firm, Grant Thornton (Indian Ocean) Limited, audited the financial statements and accounting procedures of NBR in 2003 for 2001 and 2002 financial years. Implementation of all these recommendations continues and has contributed positively to the improvement of internal control operations and the reporting of the Bank's financial statements. Moreover, NBR has chosen to apply international accounting standards (IAS) and from 2004 financial year, its financial statements will be prepared and presented according to these international standards.

During the financial year under review, however, NBR's activities were carried out in an unfavourable working environment, especially for investment operations on international capital markets. Between

end December 2002 and end December 2003, interest rates dropped from 1.25% to less than 1% per year for the US dollar, from 2.75% to 2% per year for the Euro, and from 3.75% to 3.37% per year for the British pound.

In addition, 2003 financial year registered a sharp depreciation of the national currency against foreign currencies. The RWF depreciated by 13.36% against the US dollar, 36% against the Euro, 23.28% against SDR and 25.5% against the British pound.

However, despite this difficult operating environment, 2003 ended with a better result than the previous year due mainly to an intensive utilization of arbitrage and a highly positive fluctuation of foreign exchange rates. The net result for the financial year increased to RWF 5.463 million against RWF 2.655 million at the end of 2002, a level that has never been attained since 1995.

In accordance with the decision of the Board of Directors of the Bank, total result on exchange rate fluctuations was allocated to the reserve account for foreign exchange rate fluctuations. In conformity with the NBR Statute, the balance, amounting to RWF 1.504 billion, was allocated to the General Reserve Fund (20%), the emoluments of the members of the Board of Directors (1%), the Social Fund (15%) and the Government Treasury Account. A sum equal to RWF 1,007,261,581 was thus paid into the Government Treasury Account against RWF 1,613,163,078 of dividends in 2002.

Chapter I: International Environment

I.1 Economic situation

The world economic growth registered a slight improvement in 2003 of about 3.2% against 3% in 2002. There was slackening of the economic activity at the beginning of the year, and this lack of buoyancy was linked to the mounting geo-political tensions generated by the Iraq conflict. Consequently, households and enterprises deferred their investment and consumption projects. However, despite this tense context, some economies picked up more quickly than others, in particular in the United States of America and, quite unexpectedly, the economy of Japan. On the other hand, the Euro zone continued to experience a gloomy economic activity.

In the United States, uncertainty linked to the situation in Iraq and the rise in oil prices restricted growth to about 2% during the first half of 2003 against 3% for the previous half. For 2003, the American economy grew at an estimated rate of 2.6% against 2.4% recorded in 2002. These developments are attributed to the improvement of household consumption, increased public consumption, coupled with the rise in defense expenditures. There was also improvement in investments and an increase in industrial production, making the American economy become once again the engine for the industrialized countries.

After the recovery recorded in 2002, the Japanese economy remained relatively sustained during the first half of 2003, resulting in a continued upward trend of exports. Indeed, imports grew more slowly than exports because of the gloomy domestic demand, but the difficulties experienced in the banking sector and the persistence of deflation did not facilitate maintenance of a strong and sustainable growth. In terms of annual average in 2003, Japan's economic growth was estimated at 2% against 0.2% recorded the previous year.

Concerning the Euro zone, economic activity slackened considerably and registered a low growth of only 0.5% in real terms, compared to 0.8% in 2002. This slowdown was linked to the appreciation of the Euro which affected external trade. In this connection, exports declined and foreign contribution to the growth of the Zone dropped markedly because investments registered a strong decline. Nonetheless, the improved economic climate in the United States was beneficial to some developed countries in the euro Zone, particularly Germany and France, due to the good performance of exports sustained by continued expansion of demand in the United States.

As for developing countries, they on the whole registered an economic growth rate of 5% against 4.6% in 2002, following the progress recorded by African countries and the western hemisphere, which consists of Central and South America, where real GDP grew by 3.7% and 1.1% respectively, compared to 3.1% and -0.1% in 2002.

In Latin America, the situation improved, particularly in Argentina where real GDP rose to about 6% after a disastrous year for the economy of this country which recorded a fall of 10.9% in real terms in 2002. However, the recovery was very gradual in this part of the world, particularly the Brazilian economy which was slowed down by high interest rates, especially the principal leading rates which were revised upwards so as to reduce the risk of inflation. In Venezuela, the stabilized situation in the oil sector led to considerable growth recovery.

The contrasting economic situation in the South and East of the Mediterranean was characterized by regional tensions. Economic activity in the region deteriorated and stood at 3.4% against 4.8% registered in 2002. For example, Israel's economy continued to be subjected to regional tensions which affected local and foreign investments as well as tourism. In this connection, the recession continued despite an external position which remained sustained.

Egypt's economy slackened due to the war in Iraq which affected tourism. However, passage fees in the Suez Canal and hydrocarbon exports yielded high revenues which led to the consolidation of the level of reserves. Since 2001, Morocco has experienced an exceptional period of favourable climatic conditions which contributed to the stabilization of GDP growth. Despite the uncertainty surrounding

tourism and the attacks of Casablanca in 2003, growth remained buoyant, driven essentially by domestic demand.

In 2003, particularly during the first half of the year, growth in Asian countries was affected by the fall in world demand, high oil prices and the SARS epidemic.

However, during the second half of the year, the mitigation of the effects of SARS led to the improvement of economic activity, with China being the growth engine in Asia. For some years, this country has in fact become a major player in international trade. On the whole, GDP growth of Asian countries, excluding China and India, was 3.4% against 6.4% if the two countries are included.

Table 1: Real economic growth in the world (in percentages)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003(est.)
World	3.7	4.0	4.2	2.8	3.6	4.7	2.3	3.0	3.2
Developed economies	2.7	3.0	3.4	2.7	3.4	3.8	0.9	1.8	1.8
Major developed economies	2.3	2.7	3.2	2.8	3.0	3.4	0.7	1.6	1.8
- United States	2.7	3.6	4.4	4.3	4.1	3.8	0.3	2.4	2.6
- Japan	1.7	3.6	1.8	-1.2	0.8	2.4	0.4	0.3	2.0
-European Union	2.4	1.7	2.6	2.9	2.8	3.5	1.6	1.1	0.8
of which Euro zone	-	-	-	-	-	3.5	1.4	0.8	0.5
Other developed economies	5.0	4.3	4.6	1.2	5.9	6.0	1.5	2.9	1.9
- NIC of Asia	7.5	6.3	5.8	-2.4	7.9	8.2	0.8	4.6	2.3
Developing countries	6.2	6.5	5.9	3.5	4.0	5.7	3.9	4.6	5.0
- Africa	3.0	5.6	3.1	3.4	2.8	3.0	3.6	3.4	3.7
- Asia	9.0	8.3	6.6	4.0	6.1	6.7	5.7	6.5	6.4
- Western Hemisphere*	1.8	3.6	5.2	2.3	0.2	4.0	0.6	-0.1	1.1

*All Latin and Central American countries.

Source : IMF, World Economic Outlook, September 2003

Unemployment has been almost continuous since 2001. In the developed countries taken together, unemployment rate increased by 0.3% and stood at 6.7%. For most of the developed countries, the number of unemployed increased, accompanied by the low buoyancy of economic activity. In the United States and Japan, unemployment rate increased slightly from 5.8% and 5.4% respectively to 6.0% and 5.5% between 2002 and 2003. Though its unemployment rate increased slightly, Japan registered an increase of the active population and employment. For some countries, particularly Germany, France and Belgium, the rate of unemployment was high, exceeding by far the average of the developed countries.

Concerning inflation, even though it fell slightly in the European Union from 2.3% to 2.2% between 2002 and 2003, and despite its increase in the United States, all the developed countries still managed to contain the generalized increase of prices at 1.8% in 2003, compared to 1.5% the previous year. On the other hand, the deflationary spiral persisted in Japan with prices falling by 0.3% against 0.9% in 2002.

It is important to point out that the inflation observed in several countries of the world was mainly due to the increase in oil prices. The Brent crude oil prices per barrel fluctuated between 27 and 29 dollars, exceeding even 30 dollars per barrel some time in the year. This situation can be attributed to increased demand of industrialized countries and China, as well as to the decision of OPEC to reduce production. It should be pointed out that this situation affected the world trade of goods which registered a rise of 3% for the whole of 2003 against 3.3% in 2002.

I.2 Regional Environment

According to the 2003 economic report on Africa, the five regions of the continent recorded positive growth, though this was not the case for Southern Africa in 2002. The same report shows that Africa's economic growth which had slowed down slightly in 2002, recovered in 2003 at a rate of about 3.7%, driven by favourable world climatic conditions and a slightly improved international economic situation.

The economic environment of the member States of the West African Monetary Union was marked by a good agricultural season and a recovery of the major agricultural branches, following the amount and a good distribution of rainfall both in terms of space and time. Even in the Sahel countries, particularly Burkina Faso, Mali, Niger and Senegal, the trend of agricultural activity was favourable in general. However, the industrial sector in the Union registered uneven performance from one country to the other and from one field to the other, mainly due to the effects of the crisis in Ivory Coast.

Table 2: Economic growth of neighbouring countries and COMESA countries (in percentages)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003(est.)
Africa	3.0	5.6	3.0	3.2	2.7	3.0	3.7	3.1	3.7
Angola	10.4	11.2	7.9	6.8	3.3	3.0	3.2	15.3	4.4
Burundi	-7.9	-8.0	-	4.7	-0.9	-1.1	2.2	4.5	-0.5
Comoros	8.9	-1.3	4.2	1.2	1.9	-1.1	1.9	2.5	2.5
Djibouti	-3.5	-4.1	-0.7	0.1	2.2	0.7	1.9	2.6	3.0
Eritrea	2.9	9.3	7.9	1.8	-	-13.2	10.2	1.8	5.0
Ethiopia	6.2	10.6	4.7	-1.4	6.0	5.4	7.7	1.2	-3.8
Kenya	4.4	4.2	2.1	1.6	1.3	-0.1	1.2	1.0	1.3
Madagascar	1.7	2.1	3.7	3.9	4.7	4.8	6.0	-12.7	6.0
Malawi	16.7	7.3	3.8	3.3	4.0	1.1	-4.2	1.8	6.5
Mauritius	3.5	5.2	6.0	6.0	5.3	2.6	7.2	4.0	3.3
Namibia	4.1	3.2	4.2	3.3	3.3	3.3	2.4	2.7	3.7
DR Congo	0.7	-1.0	-5.6	-1.6	-4.3	-6.2	-2.1	3.0	5.0
Rwanda	35.2	12.7	13.8	8.9	7.6	6.0	6.7	9.4	3.4
Seychelles	0.5	10.0	12.2	5.7	-1.3	4.8	-2.2	0.3	-5.1
Sudan	3.0	6.3	9.3	5.7	6.9	6.9	5.3	5.0	5.8
Swaziland	3.8	3.9	3.8	3.3	3.5	2.0	1.8	1.6	1.5
Tanzania	3.6	4.5	3.5	3.7	3.7	5.6	6.1	6.3	5.5
Uganda	11.9	8.6	5.1	4.7	7.9	5.3	5.5	6.6	5.4
Zambia	-2.5	6.5	3.4	-1.9	2.2	3.6	4.9	3.0	4.5
Zimbabwe	0.2	9.7	1.4	0.8	-4.1	-6.8	-8.8	-12.8	-11.0

Source: IMF, World Economic Outlook, September 2003

In the neighbouring countries and in the member countries of COMESA, there was general improvement of the economic activity, and Africa's performance on the whole can be attributed to the good results in some COMESA countries which recorded very high growth rates. These countries include Madagascar, Eritrea, Malawi, Tanzania, Uganda, Zambia, DR Congo and Angola. However, due to security problems or climatic difficult conditions, the economies of countries like Zimbabwe, Seychelles, Ethiopia and Burundi deteriorated compared to the year 2002.

I.3 Foreign Exchange Markets

International foreign exchange markets were characterized by the continued appreciation of the Euro against other major foreign currencies, particularly the American dollar. In fact, since its entry into force early January 1999, the single European currency reached its record level in 2003. It steadied at a parity of 1.12 dollars per Euro on average against 0.94 dollars the previous year.

Table 3 : US\$ exchange rate against other major foreign currencies (in monetary units)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003(est.)
USD per monetary units									
Euro	-	-	-	-	1.07	0.92	0.90	0.94	1.12
Pound Sterling	1.58	1.56	1.64	1.66	1.62	1.52	1.44	1.50	1.62
Monetary units per USD									
Japanese Yen	94.1	108.8	121.0	130.9	113.9	107.8	121.5	125.4	118.6
Deutsche Mark	1.43	1.51	1.73	1.76	1.83	2.12	2.18	-	-
French Franc	4.99	5.12	5.84	5.90	6.15	7.10	7.32	-	-
Italian Lira	1628.9	1542.9	1703.1	1736.2	1815.0	2096.2	2161.8	-	-
Belgian Franc	29.48	30.96	35.77	36.3	37.81	43.67	45.04	-	-
Canadian Dollar	1.37	1.36	1.39	1.48	1.49	1.49	1.55	1.57	1.42

Source: FMI, World Economic Outlook, September 2003

The continuous appreciation of the Euro against other foreign currencies eroded the competitiveness of Europe's exports sector. However, it should be pointed out that the Euro Zone received considerable inflows of international capital due to this appreciation.

As a result of good economic performance by Japan during 2003, the yen trend shows that it appreciated against the American dollar. In 2002, one American dollar was equivalent to 125.4 yens and in the following year, the American dollar fetched 118.6 yen.

I.4 Interest Rates and Capital Markets

With a view to sustaining the recovery of the economic activity, most developed countries lowered their interest rates during 2003.

In the United States, the Federal Reserve maintained its monetary easing, and its leading interest rate was revised downward from 1.2% to 1.0%. Since the beginning of the year, the Federal Reserve reduced its interest rate to the lowest level in the past 45 years. Likewise, BCE reduced its refinancing floor rate, thus maintaining the short term rate level close to zero in real terms. This easing of monetary conditions was nevertheless offset by the appreciation of the Euro. In relation to the American dollar, the Euro appreciated sharply during the first half of the year before it registered a downward trend following improved faster growth in the United States.

Despite a monetary policy characterized by nil nominal interest rates, Japan's economy is still affected by the deflationary spiral and domestic demand continues to be sharply depressed.

The market for government bonds was characterized in the first half of the year by its volatility and the fall in long term interest rates up to record low rates. This trend can be explained mainly by the reduction of short term rates, the slowdown of prices and factors of uncertainty, both geo-political and macro-economic.

Table 4: Development of interest rates in major developed countries (in percentages)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003(est.)
LEADING INTEREST RATES									
- United States	5.6	5.3	5.5	4.7	5.3	6.4	1.8	1.2	1.0
- Japan	0.4	0.4	0.4	0.3	0.0	0.2	0.0	0.0	0.0
- Euro zone				3.3	3.0	4.8	3.3	2.8	2.0
United Kingdom	6.4	5.9	7.3	6.3	5.5	6.0	4.0	4.0	3.5
- Canada	5.8	3.0	4.3	5.0	4.8	5.8	2.3	2.8	3.0
SHORT TERM INTEREST RATES									
Developed countries	4.6	4.3	4.0	4.0	3.5	4.5	3.2	2.0	1.8
- United States	4.4	5.7	5.1	4.9	4.8	6.0	3.5	1.6	0.9
- Japan	0.8	0.3	0.3	0.2	0.0	0.2	0.0	0.0	0.0
- Euro zone	6.1	4.8	4.3	4.1	3.1	4.5	4.2	3.3	2.1
- United Kingdom	6.8	6.1	6.9	7.4	5.5	6.1	5.0	4.0	3.5
- Canada	7.0	4.3	3.2	4.7	4.7	5.5	3.9	2.6	2.7
- NIC of Asia	9.2	8.7	9.2	9.8	4.8	5.0	3.3	3.0	6.2
LONG TERM INTEREST RATES									
Developed countries	6.8	6.1	5.5	4.5	4.6	5.0	4.4	4.2	3.7
- United States	6.6	6.4	6.4	5.3	5.6	6.0	5.0	4.6	4.0
- Japan	3.3	3.0	2.1	1.3	1.7	1.7	1.3	1.3	1.5
- Euro zone	8.5	7.2	6.0	4.8	4.6	5.4	5.0	5.0	3.7
- United Kingdom	8.4	8.1	7.4	5.4	5.4	5.4	5.0	4.8	4.1
- Canada	8.1	7.2	6.1	5.3	5.6	5.9	5.5	5.2	5.0
- NIC of Asia	9.4	8.5	9.2	9.4	6.6	6.6	5.3	5.4	4.4

Source: FMI, World Economic Outlook, September 2003

However, it is worth noting that unlike in the United States, Japan and the Euro zone, short term interest rates in the newly industrialized countries of Asia registered a sharp increase of about 3.2% and reached 6.2%, although this situation failed to attract massive capital.

With regard to the development of capital markets, it should be noted that in an environment characterized by better prospects in terms of the recovery of the world economy, stock exchange markets, which had experienced a downward trend early in the year, registered a sharp recovery since March 2003. This development was sustained by improved corporate results as a result of restructuring efforts and continued reduction of the risk-related premiums. In fact, the clearing of uncertainty about the economic consequences of the Iraq conflict following the American - British attacks was directly beneficial to stock exchange markets, leading to the reduction of risk premiums demanded by investors and linked to the potential repercussions of the war. The removal of these risk-related premiums has therefore resulted in the upward movement of the stock exchange markets. Moreover, the improvement of economic indicators in the United States has benefited stock exchange markets. However, the results of stock exchange markets were lower than those of the corporate debentures market.

Chapter II: Development of the National Economy

II.1 Real Sector

II.1.1 Gross Domestic Product

1. Resources

Gross Domestic Product in real terms registered moderate growth of 3.4% in 2003 against 9.4% in 2002. This slowdown of economic growth was due to the moderate performance of the primary sector dominated by agriculture which was hit by climatic vagaries.

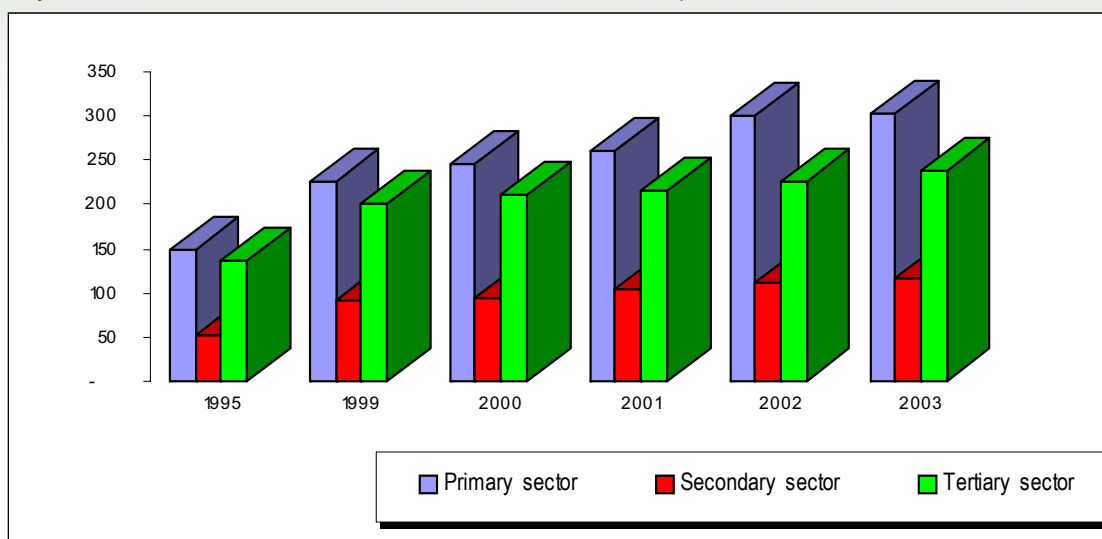
With a population growth almost equal to actual economic growth, real per capita GDP, expressed in US\$, did not change between 2002 and 2003 and remained at 206 US\$. In nominal terms, under the effect of inflation and coupled with the depreciation of the national currency, income per capita did however improve from 97.8 to 112.6 thousand RWF, an increase of 15.2% against 10.75% the previous year.

Table 5: Development of resources and uses (in millions of RWF, at the 1995 constant prices)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003(est)
RESOURCES									
Primary sector	149 550	179 384	187 118	207 089	224 615	244 445	260 791	300 259	302 572
Secondary sector	53 856	65 719	77 749	85 316	91 579	95 590	104 491	110 980	116 589
Tertiary sector	135 752	140 025	174 310	186 623	200 232	211 243	216 040	224 368	238 928
Production attributable to banking services	9 578	8 316	8 192	8 203	9 999	9 855	10 153	11 250	12 483
Import taxes	6 909	9 748	10 996	11 832	7 463	7 487	9 679	11 171	11 729
GDP	336 489	386 560	441 981	482 658	513 890	548 911	580 848	635 528	657 336
USES									
Final consumption	369 502	401 402	476 729	501 140	513 795	518 514	545 288	669 577	643 527
Investment	45 476	58 943	69 303	78 014	92 722	99 490	108 190	116 186	120 583
Exports (G&NFS)	19 546	25 414	31 239	27 996	31 679	22 451	32 622	33 853	32 939
less imports (G&NFS)	98 035	99 197	135 290	124 492	124 306	91 544	105 250	184 086	139 713
For the record									
Nominal GDP per capita - in RWF	59 079	69 106	73 500	79 582	78 108	81 909	88 285	97 778	112 636
- in US\$	204	225	266	274	252	210	199	206	206

Source: MINECOFIN, Department of Statistics

During 2003, the structure of the production pattern did not change; in the formation of GDP, the primary sector maintained the first position with a share estimated at 46%, followed by the tertiary sector (36%) and the secondary sector (18%) in that order. However, it should be noted that the value added of the last two sectors registered the highest growth estimated at 6.5% and 5.1% respectively, compared to 0.8% for the primary sector, a record situation since 1995.

Graph 1: Resource structure (in billions of RWF, at the 1995 constant prices)

Source: MINECOFIN, Department of Statistics

A. Primary Sector

Value added for the primary sector, created at 87% by agricultural activities, recorded a slight increase of 0.8% in real terms, representing a sharp slowdown compared to 15% recorded in 2002.

Table 6: Development of value added of the primary sector (in millions of RWF, at the 1995 constant prices)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	132 447	152 854	160 001	177 517	193 069	211 019	225 464	263 474	263 935
of which : - food crops	123 826	146 473	153 714	171 258	185 263	204 177	217 644	255 243	257 795
- cash crops	8 621	6 381	6 287	6 259	7 806	6 842	7 820	8 231	6 140
Livestock	11 040	18 183	19 095	20 240	21 486	22 859	23 813	25 083	26 688
Fishery	922	1 112	1 316	1 532	1 762	1 813	1 958	1 978	2 057
Forestry	4 815	6 792	5 929	6 521	7 185	7 545	8 148	8 397	8 733
Mining	326	444	778	1 278	1 113	1 208	1 408	1 328	1 160
Total	149 550	179 384	187 119	207 088	224 615	244 445	260 791	300 259	302 572

Source : MINECOFIN, Department of Statistics

A.1. Agriculture

Value added for the agricultural sector increased in real terms by 0.2% in 2003 compared to 16.9% the previous year. This situation affected the production of the primary sector and, consequently, the entire national production.

a) Food production

Unlike in the previous years, value added for food production expressed at the 1995 prices was almost stagnant with an increase of 1% in 2003 against 17.3% the previous year.

In terms of volume, total food production for 2003 was estimated at 6.82 million tons, a decrease of 4% compared to the level of the previous year. This negative performance was the result of irregular rainfall, where some regions such as Bugesera experienced even serious food shortages due to drought. In other regions, rains started very late and stopped too early, with negative effects on almost all the crops.

Only in the high altitude regions of the North did it rain more or less normally, though sometimes rains were abnormally abundant and caused damage to the crops.

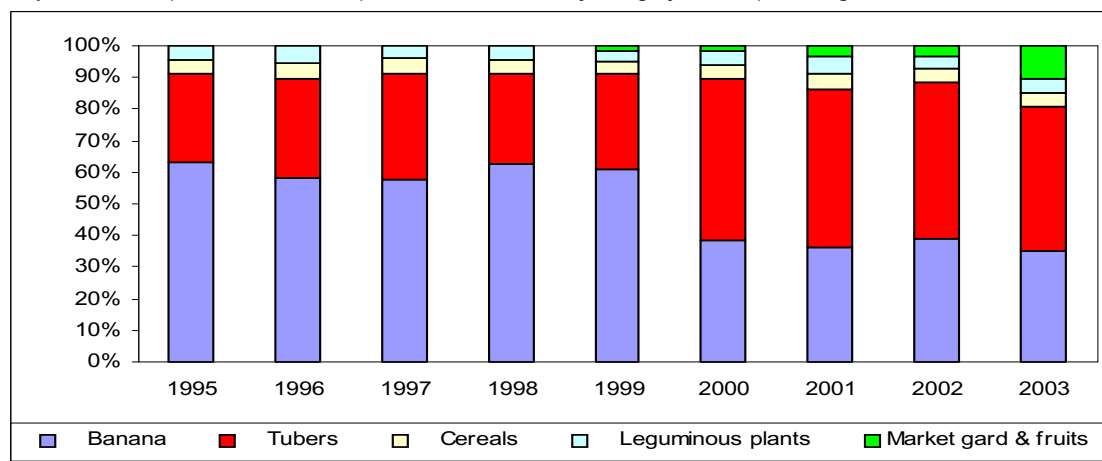
Table 7: Development of food production (in millions of tons)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Bananas	2 001	2 105	2 170	2 625	2 897	2 151	2 103	2 785	2 411
Tubers	881	1 143	1 246	1 204	1 446	2 881	2 915	3 485	3 111
Sweet potatoes	551	665	742	751	863	1026	1137	1292	865
Irish potatoes	138	195	230	181	176	954	989	1039	1100
Cassava	148	221	203	188	317	812	688	1031	1008
Cocoyam (taro)	45	62	72	84	90	88	101	123	139
Cereals	141	182	189	191	175	235	293	305	294
Sorghum	77	102	94	121	108	155	175	184	170
Maize	55	66	81	59	55	63	92	92	81
Rice (paddy)	2	7	9	8	9	11	18	22	28
Wheat	6	7	6	4	4	6	8	7	15
Leguminous plants	134	189	150	177	162	252	330	291	288
Beans	105	146	102	154	140	215	290	247	240
Garden peas	3	5	5	9	9	14	17	16	18
Groundnuts	8	12	13	5	8	15	16	10	10
Soya beans	19	26	30	10	5	7	7	17	20
Market garden produce & fruit trees	nd	nd	nd	nd	78	83	186	234	714
TOTAL	3 158	3 619	3 755	4198	4 759	5 601	5 826	7 099	6 818

Source : MINAGRI, Department of Agricultural Statistics

nd: non available data

Graph 2: Development of the food production structure (by category and in percentages)



Source : MINAGRI, Department of Agricultural Statistics

Bananas

After a remarkable performance in 2002 with an annual growth rate of 32.4%, banana production, which represented 35% of total food production, fell again as it had been doing since 1999, due not only to poor rainfall in some regions, but also to bad maintenance of banana plantations in favour of other crops as well as a banana disease (black Sigatoka) which greatly affected the yield of many farms of this crop.

Leguminous plants

For this season, production of leguminous plants rose to 288 thousand tons, representing nearly 4% of total food production. During the year, it maintained its downward trend though at a markedly slow rate. In fact, after it had sharply declined by 12% in 2002, it once again fell by 1% this year.

With regard to beans production, the most important crop of this category, the yield rose to 240 thousand tons, representing 83.3% of total production and 3.5% of total food production. However, for the second consecutive year, beans production registered a drop of about 3% from 15% in 2002.

For other leguminous plants, production was quite sustained for soya beans which increased substantially during the last three years. It increased from 7 thousand tons in 2001 to 17 thousand tons in 2002 and to 20 thousand tons in 2003. This performance was to a great extent a result of the programme of supervision of soya farmers by a local NGO, DYHAMIC ADRI, with the support of districts. Soya farmers under supervision were in fact quite motivated to increase cultivated areas since all their production was bought by this NGO for industrial processing.

Also the farmers themselves were motivated to plant this income-generating crop. In addition, soya was among selected crops in the agricultural policy of MINAGRI for 2003. Garden peas production registered a slight increase of 4% in 2003, while groundnuts production fell by 1%.

Cereals

Sorghum and maize production, which provided 58% and 27% respectively of total cereal production, recorded considerable negative performance, falling by 12% and 8% due to climatic vagaries.

Concerning other cereals, rice production was relatively poor, representing about 10% of total cereal production, but it maintained substantial growth since 2002, with a rate of 24% in 2002 and 28% in 2003, due mainly to the support of the Project for the Recovery of Agricultural Production Emergency Activities of MINAGRI.

Wheat production registered also remarkable performance, increasing to 15 thousand tons in 2003, slightly more than double the production of the previous year. This performance was observed more in the northern regions (Ruhengeri, Gisenyi and Byumba) since they are the greatest producers of wheat, and the fact that this region has wheat flour production plants was an important motivator for the producers.

Tubers

The production of tubers experienced a drop of 11% in 2003. Despite this poor performance, tubers continued to rank first in agricultural food production in 2003, representing 46%. The drop in production to a large extent concerned sweet potatoes and cassava which represented together 60% of total tuber production.

It should be pointed out that these crops had already been greatly affected by poor rainfall in 2002, followed by the dry season which was longer than usual. Consequently, in 2003 crop season, farmers virtually no longer had any cuttings, particularly for sweet potatoes. As for cassava, a drought resistant crop, it was attacked by a disease called 'mosaic', particularly in the provinces of Gitarama, Butare and Cyangugu.

On the other hand, sweet potatoes production improved through considerable increase of cultivated areas and by the fact that the northern regions, which are the most productive regions for this crop, were not much affected by drought. In 2003, production rose by 6.0% against 5.0% the previous year.

Market garden produce and fruit trees

Among its priorities, MINAGRI has undertaken to promote market gardening by providing selected seeds. Production of these crops has registered exceptional results since 2001 by doubling almost every year, such that it represented 10% of total food production in 2003. It should be pointed out on the other hand that poor rainfall has been beneficial to these crops in that the crop period became longer, and the existence of several fruit juice manufacturing plants was an important factor which contributed to increased fruit cropping.

b) Export crops

During 2003, coffee and tea remained the major export crops for the country. Their production however registered poor performance, with a value added at the 1995 constant prices estimated at RWF 6.14 billion against 8.23 in 2002, representing a drop of 25.4%. However, this situation concerned coffee much more than tea.

Production of marketable coffee recorded a drop of 27.03% or 14.17 thousand tons, a fall due mainly to adverse climatic conditions in 2003 and to bad maintenance of coffee trees. It should be pointed out also that coffee trees had reached the phase of poor yields in their production cycle.

It is important to note that the on-going policy of promoting fully washed high quality coffee has started to yield results through the increase of coffee washing stations in the whole country, which already number more than ten. We can estimate that in the near future, the quantity of the fully washed coffee, which in 2003 amounted to about 334 tons, could increase significantly.

As for tea, its production experienced a slight increase of 3.5%, from 14.95 thousand tons in 2002 to 15.48 thousand tons in 2003. This increase, no matter how low, was significant because this crop had recorded a sharp drop of 16.1% in 2002 compared to the previous year.

Table 8: Production of export crops (in tons)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Marketable coffee	21 884	15 285	14 830	14 268	18 817	16 098	18 267	19 427	14 175
Ordinary	21 765	15 332	14 500	14 268	18 817	16 098	18 799	19 397	13 841
Fully washed	-	-	-	-	-	-	-	30	334
Dry tea	5 752	9 058	12 284	14 861	12 970	14 391	17 814	14 948	15 483
Pyrethrum extract	14	6.3	45.8	11.8	4.8	0	22	13.2	25.41

Source: OCIR THE & OCIR CAFÉ, MINAGRI

On the other hand, pyrethrum production recorded a remarkable increase of 92.5%, or 25.41 tons, a performance resulting from the efforts of SOPYRWA which expanded its crop area in order to increase production of this crop.

A.2. Animal production

For some time, the livestock branch has been showing increased value added mainly due to the improvement of cattle keeping through the importation of a better breed of cows. This value added increased by 6.4% in 2003, against 5.3% and 4.2% in 2002 and 2001 respectively.

Table 9: Development of animal production

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Meat (in thousands of tons)	25.8	27.2	28.7	30.0	32.9	34.9	35.1	37.1	41.5
Cattle	9.6	9.2	9.6	10.0	9.5	10.9	9.9	10.7	12.5
Goat	3.9	4.4	4.7	4.9	5.0	5.7	5.5	6.5	6.7
Sheep	1.3	1.4	1.5	1.6	1.6	1.6	1.6	1.6	2.1
Porc	9.1	10.2	10.8	11.3	14.0	14.7	16.5	15.3	17.3
Rabbit	0.4	0.4	0.4	0.4	0.4	0.3	0.5	0.6	0.5
Poultry	1.5	1.6	1.7	1.8	2.4	1.7	1.1	2.4	2.4
Milk (in thousands of litres)	34.6	33.3	34.7	36.7	34.7	35.1	36.2	73.9	127.1
Eggs (tons)	795.0	864.0	916.0	971.2	1250.0	1438.0	589.0	1256.0	1284.0
Fish (tons)	1400.0	1500.0	1700.0	2000.0	4291.0	6170.0	5344.0	5344.0	5344.0

Source: MINAGRI, Department of Agricultural Statistics

The year 2003 was characterized by increased animal production, driven mainly by the big livestock which experienced a remarkable development, particularly in the provinces of Umutara, Gitarama and Kigali rural. Cattle population increased by 20.2%. There was increased production of meat by 16.8%, amounting to 41.5 thousand tons. Milk production registered also an impressive increase of 72%, or 127.1 million litres, through increased popularity of improved breed milk cows.

Apart from cattle and sheep populations (17.1%) which recorded great change, the other species did not increase much compared to 2002, their growth being around 2%. In general, this low growth of the populations of these other species was mainly due to the gradual modernization of traditional stockbreeding and the reduction of areas reserved for pasture.

Table 10: Development of livestock (in heads)

Description	1998	1999	2000	2001	2002	2003
Cattle	657 137	725 541	732 123	796 058	815 450	980 477
Goats	192 344	238 789	248 345	829 023	919 785	941 127
Sheep	240 572	317 023	378 261	261 905	300 640	351 956
Porc	120 928	159 625	177 220	185 674	207 783	211 939
Poultry	788 769	950 359	1 277 706	755 254	2 432 449	2 481 104
Rabbits	nd	229 399	338 616	457 745	488 629	498 402

Source: MINAGRI, Department of Agricultural Statistics

nd: non available data

A.3. Forestry

During 2003, the value added of silvicultural activity registered a low growth of 1.3% against 3.1% in 2002. This situation implied a low level of logging following measures taken recently aimed at environmental protection by restricting logging activities.

A.4. Mining

During the year under consideration, the value added of mining and quarrying observed for some years fell once again (-12.7%) on the whole, despite the high increase registered in the production of tin. This situation was a result of the continuous price drop of major minerals on the international market, and the value added in this field represented only 0.2% of GDP.

In terms of volume, the fall by 32.5% and 63.1% in the production of coltan and wolfram respectively was mitigated by the increase in the production of tin which represented more than 80% of total mineral production in 2003. Mineral production recorded an exceptional growth of 117% compared to 2002. This sharp increase can be explained essentially by the increase of the prices on the international market.

Table 11: Development of the production of major minerals (in tons)

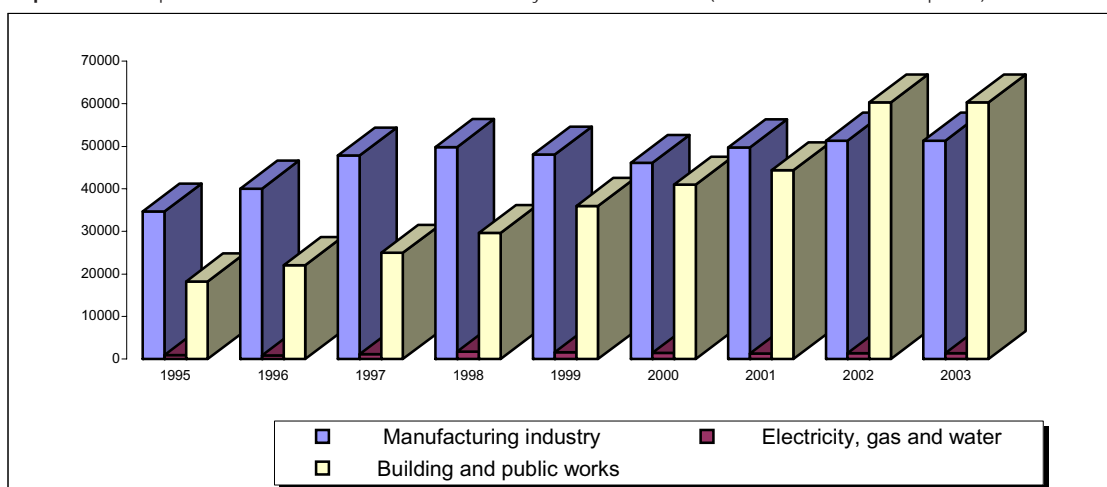
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tin	198	208	155	440	359	365	555	672	1458
Colombo tantalite	72	99	256	378	147	360	395	277	187
Wolfram	46	104	78	30	54	144	162	325	120
TOTAL	316	411	489	848	560	869	1112	1274	1765

Source : MINECOFIN, Department of Statistics

B. Secondary sector

In 2003, the value added of the secondary sector at the 1995 constant prices increased from RWF 110.94 billion to RWF 116.29 billion, an increase of 4.8%. This growth was to a great extent attributable to the 'public works and construction' branch, the value added of which increased by 15.0% over the period, while the "manufacturing industry" experienced a decrease of 6.7% due mainly to bad performance of the food processing industry.

Graph 4: Development of the value added of secondary sector branches (at the 1995 constant prices)



Source : MINECOFIN, Department of Statistics

B.1. Manufacturing industry

Under the effects of poor performance of the food processing industry, which was by far the most important component of the manufacturing industry but whose activity had considerably slackened due to the drop in consumption, manufacturing industries on the whole yielded a value added estimated at RWF 48.76 billion in 2003 compared to RWF 52.27 billion in 2002, a fall of 6.7%

Food processing industry, which is largely dominated by the production of alcoholic drinks and lemonades, was affected by the effects of high costs of imported raw materials linked to the depreciation of the Rwandan franc, and to the indirect effects of increased commodity taxes introduced at the beginning of 2003. In the light of the low purchasing power of the population, this situation could not but result in the reduction of consumption and, consequently, also bring down production. Over the period under consideration, the value added of this sub-branch fell by 8.3% to RWF 39.46 billion, while it had significantly increased (+5.5%) the previous year.

Table 12: Development of the value added by type of industry (in millions of RWF, at the 1995 constant prices)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Food	29 897	34 311	40 928	42 284	40 510	37 945	40 798	43 047	39 462
Chemical	886	1 066	975	890	939	964	1 313	1 604	1 617
Paper	244	337	488	529	570	584	596	608	613
Metal	685	768	1 092	1 281	1 002	1 087	1 153	1 199	1 209
Non metal	1 751	2 065	2 481	2 687	2 884	2 697	3 165	3 431	3 458
Wood	845	935	1 045	1 150	1 286	1 350	1 401	1 477	1 489
Textile	268	481	685	811	779	791	830	754	760
Others	86	96	137	160	125	130	144	150	151
TOTAL	34 661	40 059	47 831	49 792	48 094	45 547	49 401	52 270	48 759

Source : MINECOFIN, Department of Statistics

In terms of the volume of industrial production as shown in Table 13 below, apart from the production of cement which increased by 9.5%, the other major products experienced a significant drop, a situation which concerned particularly tea, coffee, lemonades and modern beer.

Table 13: Development in the production of major industrial products

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Animal feed (in tons)	1 193	2 480	2 639	2 787	2 955	3 118	3 264	3 362	nd
Modern beer (in thousands litres)	49 112	59 401	76 263	65 007	51 950	44 244	47 961	53 993	41 228
Confectionery (in tons)	11 037	9 756	10 586	11 380	12 233	12 600	12 978	13 367	nd
Banana wine (in thousands litres)	895	942	1 011	1 186	1 291	1 033	1 020	1 081	nd
Sorghum beer (in thousands litres)	181	239	258	299	287	355	382	403	nd
Soft drinks (in litres)	14 287	18 832	24 840	28 946	22 165	20 778	22 842	21 407	19 279
Cigarettes (in millions units)	36	129	253	303	217	327	278	391	324
Hides and skins (in tons)	1 258	1 422	1 496	1 574	1 655	1 742	1 829	1 883	nd
Paints (in tons)	202	242	300	540	944	1 041	1 363	1 745	2 422
Cement (in tons)	36 000	42 452	60 505	60 030	66 291	70 716	88 161	100 568	110 104
Corrugated iron sheets (in tons)	2 454	2 085	4 229	2 588	4 575	5 435	4 532	3 993	2 786
Coffee (in tons)	21 952	15 285	14 843	14 268	18 817	16 098	18 268	19 546	13 805
Tea (in tonnes)	5 414	9 058	13 229	13 636	12 970	14 481	17 817	15 879	15 437
Sugar (in tons)	-	-	-	-	2 137	1 068	6 363	6 589	6 791
Soap (in tons)	5 019	6 959	7 500	6 966	6 431	5 867	6 043	5 571	7 880

Source : MINECOFIN (Department of Statistics).

Concerning cement, it is important to point out that as a result of an increasingly high demand at the national level and from regions neighbouring the plant of BUGARAMA, especially Eastern DR Congo, this single factory in the country increased its production significantly in 2003 to 112.2 thousand tons, a substantial increase of 23.0% in one year.

However, it should be noted that the production capacity of this plant, which is gradually regaining its regional market and as Burundi and DR Congo recover peace and stability, is very soon likely to fall short of the high demand of cement linked to the reconstruction and rehabilitation needs of the sub-region.

Some industrial enterprises experienced enormous difficulties and the volume of their production dropped considerably. Such was the case with the coffee processing plants (-29.4%) which were affected by the consequences of the fall in production, and corrugated iron sheets (-30.2%) which registered a sharp drop in terms of orders during the financial year, because local production of this material was subjected to sharp competition by imports.

B.2. Electricity, Gas and Water

For the second consecutive year, national production of electricity and water experienced significant improvement in 2003, with an increased volume of 26.7% and 13.1% respectively. On the other hand, gas production remained very marginal and recorded a sharp drop (-66.7%).

It should be noted that increased quantity of electricity produced in the country was accompanied with the reduction (-11.1%) of imports of this product, a situation which should not however be linked to the big volume of local production, but rather to the limited production capacity of the RUSIZI hydroelectric station, which is the major foreign supplier of electricity to Rwanda. In fact, following the return of peace in Eastern DR Congo which contributed, among others, to the resumption of industrial production activities in the region, the station was faced in the first place with the need to meet local demand before exporting electricity to Rwanda.

Table 14: Development of production and availability of electricity, water and gas

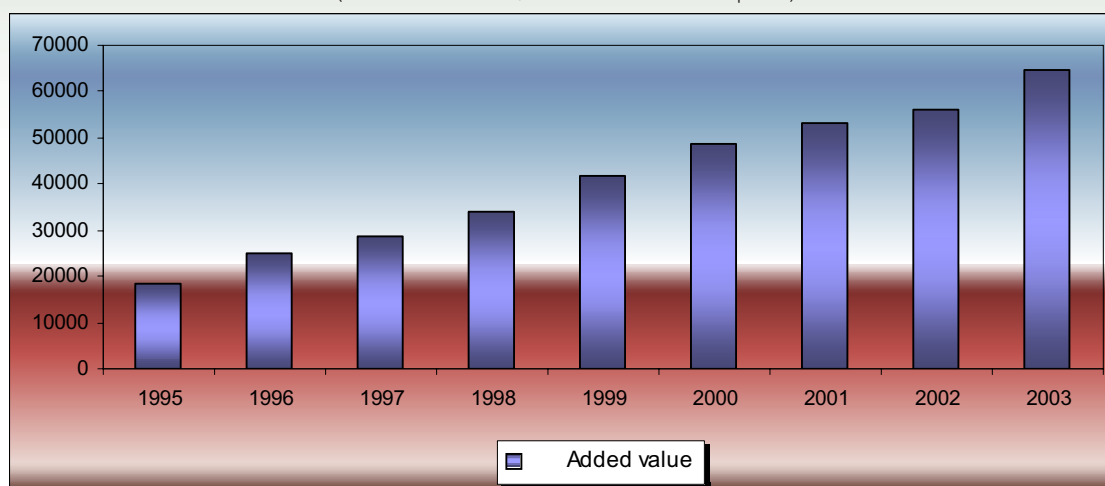
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. Electricity (in million kwh)									
National production	53.3	72.2	110.8	127.0	128.2	109.9	89.3	92.8	117.6
Exports	-	0.3	3.9	0.8	0.8	1.1	1.4	8.4	3.3
Imports	59.3	82.6	73.2	59.9	70.3	94.1	121.5	136.0	120.9
Available electricity	112.6	154.4	180.1	186.1	197.7	202.9	209.4	225.8	235.2
2. Purified water (in million of m3)	13.6	8.3	9.1	20.3	17.6	16.0	16.0	16.8	19.0
3. Methane gas (in million of Nm)	0.4	0.3	0.4	0.9	1.4	1.4	0.8	0.9	0.3

Source : ELECTROGAZ.

B.3. Public works and construction

The buoyancy observed since 1995 in the construction industry and public works continued during 2003. The number and value of constructions and rehabilitation of infrastructure and other public or private buildings registered an increase, and the value added for the branch grew significantly from RWF 56.30 billion to 64.71 billion between 2002 and 2003, representing a rise of 15%.

Graph 5: Development of the value added for the construction industry and public works
(in millions of RWF, at the 1995 constant prices)



Source : MINECOFIN, Department of Statistics

Apart from the construction of residential houses which continued to grow, 2003 was marked by some important achievements in the framework of the rehabilitation of road and hotel infrastructure, which contributed to the growth of the value added of this field.

Likewise, with the growth of the construction activity, the share of the construction industry and public works continued to increase from one year to the other, and for the year under review, this branch registered 9.8% against 8.8% in 2002.

C. Tertiary sector

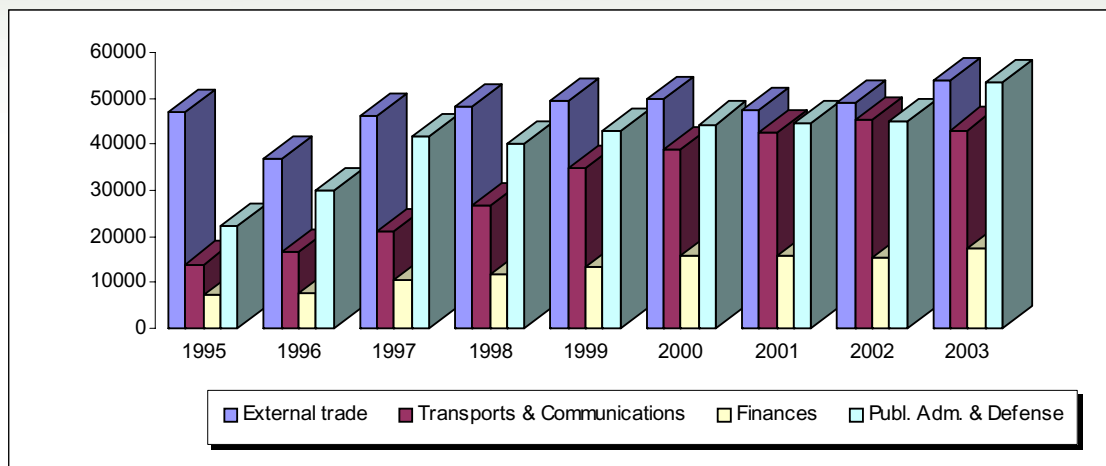
Following the example of previous years, the services sector continued to register remarkable results, and its value added once again increased by 8.3% against 3.4%, reaching RWF 241.7 billion. This performance was to a large extent attributable to non commercial services, largely dominated by public administration whose contribution to the growth of added value for the sector was about 45% against 26% for all commercial services which, nonetheless, continued to be by far the most important in the sector.

Table 15: Development of the value added of the tertiary sector (in millions of RWF, at the 1995 constant prices)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Commercial services	107 009	103 696	126 313	140 402	152 425	158 661	168 078	177 723	182 564
Domestic trade	47 071	36 856	46 104	48 083	49 654	49 778	47 579	49 125	53 802
Transports & Communications	13 979	16 602	21 030	26 764	34 827	38 967	42 454	45 340	43 180
Finance	7 346	7 800	10 364	11 705	13 248	15 649	15 640	15 562	17 489
Others	38 613	42 438	49 011	52 990	55 497	58 141	60 482	62 642	68 093
Non commercial services	28 743	36 329	47 997	46 221	47 807	49 972	50 189	50 420	59 154
Public Administration & Defense	22 400	29 997	41 890	40 206	42 833	44 387	44 552	45 167	53 522
Non profit making associations & NGOs	6 343	6 332	6 107	6 015	4 974	4 728	5 108	5 363	5 632
TOTAL	135 752	140 033	174 506	186 764	201 033	211 649	215 814	223 198	241 717

Source : MINECOFIN, Department of Statistics

Graph 6: Development of the value added for major activities in the tertiary sector
(in billions of RWF, at the 1995 constant prices)



Source: MINECOFIN, Department of Statistics

C.1. Commercial services

The value added for commercially-traded services, which consist mainly of trade, transport and communications and financial services, amounted to RWF 182.56 billion in 2003 against RWF 177.72 billion in 2002, an increase of 2.7%. These services continued to be the most important branch of the services sector and their share in the total value added was about 75% against 79.6% in 2002.

For general trade, the value added grew from RWF 49.13 billion to 53.80 billion between 2002 and 2003, an increase of 9.5%, a level representing 22.3% of the total value added of the sector and 29.5% of the total value added for commercially-traded services.

Concerning financial services, their performance was considerable on the whole, and even some financial institutions which experienced serious difficulties in the previous years managed to make important progress. For 2003, the value added for financial services increased by 12.4% and stood at RWF 17.49 billion, representing 7.2% of the total value added for the sector, compared to 7% in 2002.

Although it continued to be one of the major components of commercially-traded services, the transport and communications branch was marked by a fall in its value added in 2003, dropping from RWF 45.34 billion to 43.18 billion between 2002 and 2003, a decrease of 4.8%.

C.2. Non commercial services

With regard to the services category, public administration was still the most important and its value added represented 90.5% of commercial services. It increased from RWF 45.17 billion in 2002 to 53.52 billion in 2003, an increase of 18.5%. This increase reflected the significant increase of expenditure for wages and salaries, transfers and purchase of goods and services for final consumption, in relation to intermediary consumption of goods and services by public administration which, in principle, does not produce any gross operating surplus.

The value added for services rendered by non profit making associations and organizations in 2003 also recorded an increase of about 5%, reaching RWF 5.63 billion, a level representing 2.3% of the total value added for the sector, against 2.4% in 2002.

2. Uses

Unlike the previous year which registered a significant growth of 22.8%, the level of final consumption for the year 2003 was slightly lower by 3.9%, its share in real GDP dropping from 105.4% to 97.9%. With a constant share of gross domestic investments and a reduced share of exports in GDP, the fall in final consumption reflected a reduction of external resources which contributed to final consumption in 2003 compared to the previous year. This drop concerned private final consumption which, at the 1995 constant prices, fell from RWF 623.14 billion to 595.15 billion over the period under review, a decrease of 4.5%, compared to final consumption by public entities which remained almost at the same level.

Table 16: Development of the structure of GDP uses (in percentages)

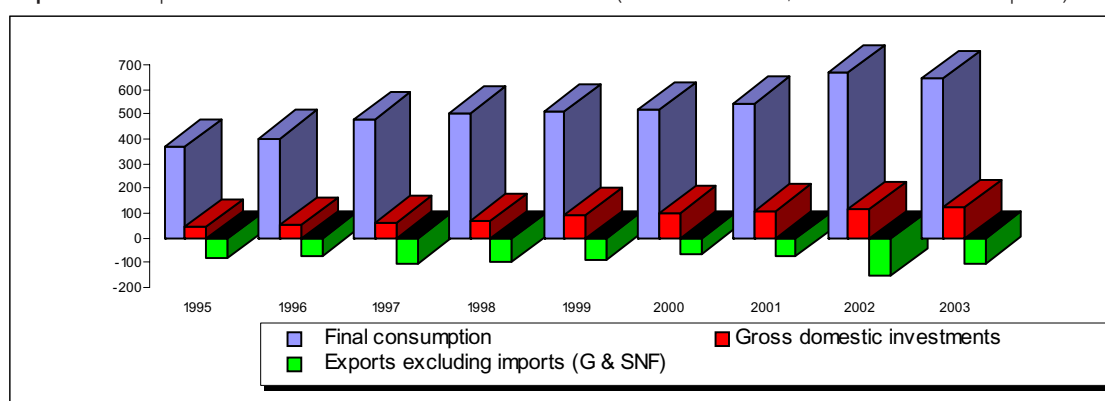
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
A. Final consumption	109.81	105.18	109.53	105.49	99.98	94.46	93.88	105.36	97.90
Public consumption	9.20	10.51	8.90	8.56	6.02	7.22	7.56	7.31	7.05
Private consumption	100.62	94.67	100.64	96.93	91.46	87.25	86.32	98.05	90.54
B. Gross domestic Investments	13.51	14.04	14.22	14.72	18.04	18.12	18.63	18.28	18.34
Construction	9.91	10.50	10.41	11.38	15.13	16.39	17.02	16.47	16.63
Equipment	3.61	3.54	3.81	3.34	2.91	1.73	1.61	1.81	1.72
C. Resource balance	-23.33	-19.22	-23.75	-20.21	-18.02	-12.59	-12.50	-23.64	-16.24
Exports	5.81	6.62	7.13	5.86	6.16	4.09	5.62	5.33	5.01
Imports	29.13	25.85	30.88	26.07	24.19	16.68	18.12	28.97	21.25
GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: MINECOFIN, Department of Statistics

At the 1995 constant prices, gross domestic investments registered growth estimated at 3.8% in 2003 against 7.4% in 2002, amounting to about RWF 120.6 billion. Under the impetus of activities in real estate, the formation of fixed capital in the form of construction and other public works increased by 4.4% against 5.9% in 2002.

The level of capital investments did not change significantly and stood at RWF 11.28 billion against 11.50 billion in 2002, representing a slight decrease of 1.9%. Their share in the use of GDP remained also at almost the same level, from 1.81% to 1.72% from one year to the other.

Graph 7: Development of the structure of the uses of real GDP (in billions of RWF, at the 1995 constant prices)



Source: MINECOFIN, Department of Statistics

With regard to resource balance, the chronic deficit was marked by a relative mitigation in 2003, from RWF -150.23 billion to -106.77 billion from one to the other. However, this improvement was far from being qualitative because it was not a result of an increase in exports since these recorded a drop, but rather a result of a more significant fall in the value of imports expressed at the 1995 prices. In terms of current prices, imports showed marked improvement.

II.1.2 Prices

1. Prices of Agricultural Production

Based on the reports of the Ministry of Agriculture and as indicated in Table 17 below, prices of agricultural production increased for most food products whose production had significantly fallen compared to 2002.

Table 17 : Development of agricultural production prices (in RWF/kg)

Description	1997	1998	1999	2000	2001	2002	2003
Sorghum	80	79	75	79	86	76	72
Maize	32	38	28	30	76	55	93
Wheat	159	157	116	121	47	41	nd
Rice	123	113	97	101	233	229	nd
Beans	89	79	48	51	96	93	93
Groundnuts	270	207	164	172	305	278	376
Soya	128	100	86	90	126	139	nd
Garden peas	152	163	103	108	131	144	170
Irish potatoes	26	39	21	20	42	43	55
Sweet potatoes	19	22	13	14	25	15	42
Cassava	31	36	22	21	68	34	70
Bananas	47	45	41	41	51	34	56
Coffee	384	290	260	260	200	150	320
Tea	27	27	37	37	37	45	45

Source : OCIR-CAFE, OCIR-THE, MINECOFIN

Among the highest agricultural production price increases, mention should be made of those for sweet potatoes and cassava which, after falling by 40% and 50% in 2002, recorded a sharp increase of 181% and 108% respectively. Likewise, the price of maize which had fallen by 28% in 2002, increased by 69% in 2003 as a result of poor rainfall, particularly in the provinces of Gitarama, Kibungo and Umutara.

Average producer price of bananas which had dropped by 34% in 2002 due to a bumper crop, increased by 66% the following year mainly due to poor production in most of the regions of the country.

2. Consumer Prices

The almost generalized increase of producer prices had a knock-on effect on consumer prices, such that inflation stood at 7.68% against 6.17% in 2002. The generalized increase of average prices concerned local products, starting with sweet potatoes (+124%), cassava flour (+58%), Irish potatoes (+22%), plantains (+58%) and most of the other staple foodstuffs. Likewise, prices of mixed products, particularly from the food processing industry, showed considerable increase. Such was the case with lemonades and beer the average prices of which increased by 11% and 18% respectively.

In addition to the poor supply of food products on the market following poor agricultural production, the generalized increase of consumer prices in 2003 can be explained by the depreciation of the Rwandan franc against hard currencies which made imported products more costly.

Table 18: Development of prices of major products and local services in 2003 (in RWF per Kg, unless otherwise indicated)

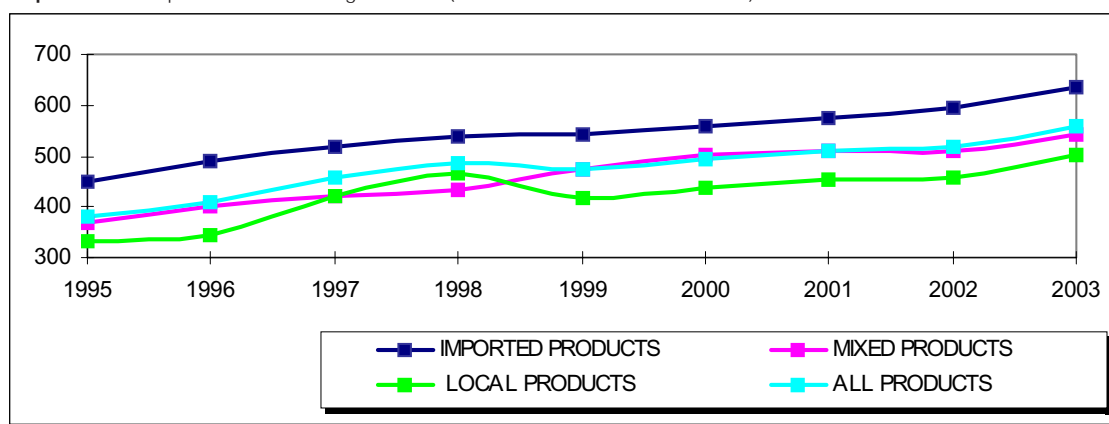
Description	Av.	2003												Av.
	2002	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug	Sept.	Oct.	Nov.	Dec.	
Foods														
Irish potatoes	48	51	50	53	54	55	56	62	63	66	66	65	61	58
Sweet potatoes	40	78	70	86	89	87	83	92	96	103	103	90	89	89
Cassava flour	75	83	81	89	95	119	101	117	116	133	146	165	173	118
Dry beans	134	153	130	129	131	129	129	143	153	153	156	165	165	144
Green peas	417	331	394	466	492	400	364	386	431	519	606	386	384	430
Plantains	45	68	64	63	75	75	67	64	66	69	75	85	90	72
Rice	255	268	266	273	273	280	280	281	283	286	284	291	294	280
Dry maize grain s	116	125	141	129	116	118	118	124	130	155	145	153	166	135
Beef	1 187	1 200	1 231	1 263	1 225	1 231	1 219	1 200	1 225	1 256	1 228	1 206	1 219	1 225
Fresh fish	643	625	633	646	667	667	654	663	692	683	683	642	650	659
Fresh tomatoes	152	150	130	154	244	237	166	143	133	159	143	160	134	163
Kabuye sugar	356	406	426	459	466	470	470	470	479	481	477	475	467	462
Beverages														
Soft drinks (bottle)	137	150	150	150	160	160	155	150	150	150	150	150	150	152
Primus beer (bottle)	305	333	333	350	367	367	367	367	367	367	367	367	367	360
Liquid milk (litre)	513	500	500	500	500	500	500	500	496	492	500	508	517	501
Tea	1 164	1 286	1 307	1 293	1 293	1 271	1 271	1 300	1 300	1 331	1 364	1 450	1 483	1 329
Coffee	1 892	1 889	1 889	1 889	1 856	1 900	1 889	1 911	1 900	1 956	1 956	1 956	1 933	1 910
Sorghum beer (bottle)	148	150	150	150	150	150	150	150	150	150	150	150	150	150
Banana beer (bottle)	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Services														
Electricity (khw)	43	43	43	43	43	43	43	43	43	43	43	43	43	43
Water (m3)	342	342	342	342	342	342	342	342	342	342	342	342	342	342
Medical consultancy	858	850	850	850	850	850	850	850	850	850	850	850	850	850
Town taxi	100	100	100	100	100	100	100	100	100	120	120	120	120	107
School fees per year	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000

Source : NBR, Research Department

With regard to basic services, it should be pointed out that unlike with goods, charge increase was moderate, and some charges did not even increase during 2003 compared to 2002, such as electricity and water. Consultancy fees in public hospitals fell by 1% only. Only the average price for transport registered high increase at 7% due to increased fuel prices.

During the year, the highest increases of consumer price indexes were recorded for 'Foods' (+15.46%) and 'Beverages and Tobacco' (+30.86%) for imported products; 'Beverages and Tobacco' (+16.59% and 'Other medical services and hygiene' (+7.05%) for mixed products and 'Foods' (+15.55%) for local products.

Graph 8 : Development of CPI in Kigali urban (base 100 for March-June 1982)



Source: NBR , Research Department

From their predominant position (44.7%) in the food basket, local products continued to play a determining role in inflation behaviour. During the year, the price level for these products underwent monthly fluctuations, sometimes downward, other times upward, but the general movement for the period was markedly an upward trend as shown in Table 19 below.

Table 19: Development of monthly CPI in Kigali urban in 2003 and by category of products (base 100 for 1982)

Description	Jan.	Feb.	Mar	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
IMPORTED PRODUCTS	615.10	618.71	621.84	623.70	625.57	627.84	631.70	634.26	642.62	646.72	649.92	659.71
Monthly change	0.78	0.59	0.50	0.30	0.30	0.36	0.61	0.41	1.32	0.64	0.49	1.51
Annual fall	4.44	4.97	5.28	5.98	6.08	6.26	5.87	5.83	6.48	6.85	7.03	8.09
MIXED PRODUCTS	530.30	523.32	529.34	549.21	546.08	541.43	542.11	545.60	551.34	551.27	548.86	551.32
Monthly change	3.25	-1.32	1.15	3.75	-0.57	-0.85	0.13	0.64	1.05	-0.01	-0.44	0.45
Annual fall	2.76	1.22	3.69	7.95	6.93	5.48	5.14	5.56	8.08	8.80	8.63	7.34
LOCAL PRODUCTS	481.77	476.93	488.07	496.13	496.09	488.83	497.37	506.63	524.25	526.46	527.68	526.56
Monthly change	-1.74	-1.00	2.34	1.65	-0.06	-1.46	1.75	1.86	3.48	0.42	0.23	-0.21
Annual fall	10.06	8.53	9.85	10.53	10.46	8.51	8.70	10.38	12.33	10.45	7.79	7.39
ALL PRODUCTS	540.25	538.18	545.41	553.28	553.40	550.16	555.55	561.27	573.30	575.80	577.11	580.70
Monthly change	0.18	-0.38	1.34	1.44	0.02	-0.59	0.98	1.03	2.14	0.44	0.23	0.62
Annual fall	6.30	5.6	6.77	8.11	7.95	7.00	6.85	7.57	9.08	8.63	7.61	7.68

Source : NBR, Research Department

The index for the group of imported products had an upward trend, with an average change of 6.27%, driven mainly by drugs and other products from the European countries the currency of which, the Euro, appreciated sharply in 2003, making exports from the Euro zone very expensive.

As for mixed products indexes, they experienced monthly changes, either upward or downward, while in terms of year-over-year, the upward trend was general, though at a different rate from one month to the other.

Table 20: CPI of major categories of products in Kigali urban (base 100 March-June 1982)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
IMPORTED PRODUCTS	447.61	490.70	520.12	537.82	543.72	558.72	575.14	596.70	634.65
FOOD	401.63	429.34	483.79	495.90	473.00	455.31	482.37	490.06	566.12
BEVERAGES & TOBACCO	327.85	336.32	359.09	390.89	448.77	533.45	585.88	599.23	787.41
CLOTHING	331.33	403.99	450.79	499.36	519.00	548.21	561.29	604.41	619.79
MEDICAL SERVICES	600.38	673.85	680.30	680.37	711.74	740.71	746.58	839.40	860.90
HOUSING	319.36	345.52	361.62	372.42	386.40	395.22	391.68	387.45	392.98
TRANSPORT	795.14	828.59	821.03	822.01	831.09	869.20	887.10	897.81	924.56
MIXED PRODUCTS	369.43	401.13	420.26	433.25	474.44	501.63	511.35	512.04	542.96
FOOD	484.04	524.07	605.13	597.14	683.63	850.41	926.18	907.26	831.02
BEVERAGES & TOBACCO	350.51	347.02	359.55	365.40	405.75	414.45	428.09	408.47	476.25
CLOTHING	264.24	359.05	402.30	470.25	520.46	574.30	583.12	615.20	616.42
HOUSING	397.44	451.95	464.86	476.66	513.51	527.73	521.37	537.53	559.16
LOCAL PRODUCTS	331.50	343.79	421.44	465.13	417.32	435.37	454.82	459.14	502.85
FOOD	382.07	392.76	509.05	570.15	456.34	460.75	487.30	476.06	550.44
BEVERAGES & TOBACCO	237.55	241.16	240.62	256.49	361.67	494.95	452.47	541.12	543.67
MEDICAL SERVICES	594.70	483.57	518.25	544.71	605.56	669.95	669.56	669.95	666.42
HOUSING	243.85	269.60	290.15	304.41	366.57	387.59	417.82	437.23	442.26
TRANSPORT	283.30	293.06	296.84	312.80	334.69	402.09	440.19	468.66	477.64
ALL PRODUCTS	380.71	408.93	458.06	486.53	474.76	493.32	509.88	519.99	559.32
FOOD	391.32	407.87	505.51	550.32	469.40	473.60	502.12	495.90	565.19
BEVERAGES & TOBACCO	333.40	333.12	345.05	354.61	404.53	435.70	446.25	442.97	514.70
CLOTHING	319.28	395.90	442.07	494.13	519.27	552.90	565.22	606.35	619.18
MEDICAL SERVICES	598.94	625.66	639.27	646.01	684.85	722.79	727.08	796.49	811.65
HOUSING	330.24	369.13	385.23	397.61	437.63	452.87	459.04	471.74	484.43
TRANSPORT	637.07	665.47	661.36	666.90	679.89	726.92	750.97	767.10	788.43
AVERAGE INFLATION	98.90	7.41	12.01	6.22	-2.42	3.91	3.36	1.98	7.45

Source : NBR, Research Department

With regard to staple products, inflation varied upward and downward from one month to another during the year under consideration. There was price increase especially for imported staple products of which the monthly variation of 0.9% in January rose to 3.2% in December. In terms of year-over-year, only prices for local products recorded a drop, from 14.13% in January to 9.52% in December 2003. For imported staple products, inflation was at 14.3% in 2003 against 5.11% recorded in January of the same year; this variation can still be explained by the depreciation of the Rwandan franc against hard currencies.

Table 21: Development of monthly CPI for staple products in 2003 (base 100 March-June 1982)

Description	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
IMPORTED PRODUCTS	705.55	712.80	719.33	722.86	727.57	732.92	741.64	744.80	760.29	766.70	774.56	798.94
Monthly change	0.88	1.03	0.92	0.49	0.65	0.74	1.19	0.43	2.08	0.84	1.03	3.15
Annual fall	5.11	6.05	6.82	8.22	9.11	10.01	9.67	9.21	9.73	10.26	11.23	14.23
MIXED PRODUCTS	461.02	453.62	464.20	491.25	487.84	481.94	481.81	483.52	487.51	488.22	485.66	489.65
Monthly change	7.31	-1.61	2.33	5.83	-0.70	-1.21	0.03	0.35	0.82	0.15	-0.52	0.82
Annual fall	8.45	7.27	11.25	19.00	18.24	15.92	15.45	15.43	16.25	15.87	15.49	13.97
LOCAL PRODUCTS	476.77	464.49	481.34	488.31	491.06	480.03	491.13	504.11	530.01	528.98	534.23	531.91
Monthly variation	-1.83	-2.58	3.63	1.45	0.56	-2.25	2.31	2.64	5.14	-0.20	0.99	-0.44
Annual fall	14.13	11.11	14.13	13.56	14.95	11.73	12.08	14.34	16.98	13.27	10.40	9.52
ALL PRODUCTS	530.81	524.35	537.40	547.43	549.47	543.53	551.84	560.18	579.21	580.37	584.75	590.33
Monthly change	0.52	-1.22	2.49	1.87	0.37	-1.08	1.53	1.51	3.40	0.20	0.76	0.95
Annual fall	10.02	8.9	11.10	12.63	13.49	11.84	11.81	12.76	14.38	12.67	11.47	11.79

Source : NBR, Research Department

3. External Trade Indexes

A. Import Indexes

Since 1995, the imports average value index increased, except for the year 2000 when it registered a drop of 7.9%. For 2003, the average value index recorded a sharp increase (+28.6%) as average prices of imports increased much higher than their volume, 42.1% against 0.5% respectively.

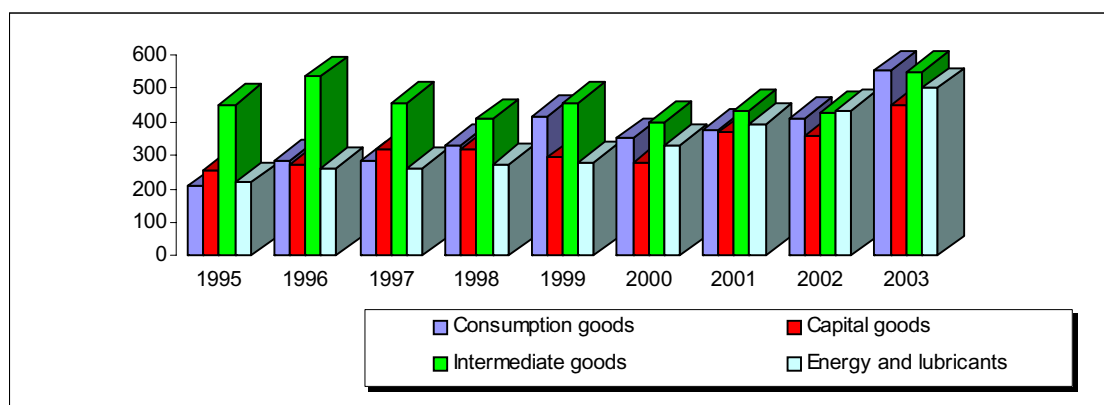
The value index of final consumption goods increased by 63.7% against 0.3% for the volume index, implying that average prices for this category of goods increased at a faster rate than their volume.

With regard to intermediate goods, though their value index increased only by 5.2%, the average value index recorded a sharp increase of 27.6% as a result of a high reduction of imports in terms of volume, the related index having fallen by 17.7%.

Table 22 : Development of import value index (base 100 in 1990)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Volume index	113.3	111.5	125.1	121.0	100.4	107.3	147.4	116.9	117.5
Consumer goods	236.1	196.6	213.4	188.2	161.9	190.7	304.5	201.6	202.2
of which foodstuffs	238.0	190.8	206.6	186.0	102.7	141.5	210.9	87.7	121.3
Capital goods	112.2	133.2	127.0	129.1	111.8	84.5	80.8	96.0	106.2
Intermediate goods	31.0	41.1	60.9	65.8	37.3	46.6	58.6	60.4	49.7
Energy and lubricants	68.5	85.9	99.8	107.9	109.6	105.9	118.5	104.4	117.8
of which fuel	68.6	86.0	100.3	108.9	110.8	107.0	120.2	107.0	120.9
Value index	276.5	351.0	398.4	408.8	373.8	367.2	562.8	434.4	617.4
Consumer goods	492.8	558.9	601.7	624.4	676.1	669.7	1146.3	683.4	1118.6
of which foodstuffs	543.3	580.5	603.6	677.6	349.4	570.4	857.0	375.1	501.9
Capital goods	288.1	365.3	408.3	414.1	327.7	237.3	296.5	344.4	477.9
Intermediate goods	140.1	220.2	279.4	269.8	170.8	187.1	254.3	259.6	273.1
Energy and lubricants	150.3	225.1	262.0	297.1	306.3	352.8	468.7	454.5	590.6
Of which fuel	156.9	238.1	278.0	314.4	325.9	382.2	507.1	509.0	660.6
Average value index	244.0	314.8	318.5	337.9	372.3	342.2	381.6	408.5	525.4
Consumer goods	208.7	284.3	282.0	331.8	417.6	351.2	376.4	411.2	552.7
of which foodstuffs	228.3	304.2	292.2	364.3	340.2	403.1	406.3	420.7	413.5
Capital goods	256.8	274.2	321.5	320.8	293.1	280.8	367.6	358.9	450.5
Intermediate goods	451.9	535.8	458.8	410.0	457.9	401.5	433.8	430.0	548.9
Energy and lubricants	219.4	262.0	262.5	275.3	279.5	331.1	395.8	435.6	501.6
of which fuel	228.7	276.9	277.2	288.7	294.1	357.2	422.6	476.5	547.7

Source : NBR, Department of Foreign Exchange Inspection and Balance of Payments

Graph 9: Average value index by categories of imported goods (base 100 in 1990)

Source : NBR, Department of Foreign Exchange Inspection and Balance of Payments

For food products, the volume index increased faster than the value index, resulting in a downward trend of the average value index for this category. Concerning Energy and Lubricants, the value index increased by 30% and the volume index by 12.8%.

B. Export Indexes

The exports average value index which had dropped by 2.4% in 2002, grew by nearly 32.0% the following year due to increased average prices of exports, driven mainly by those of coffee and tin, since the total volume of exports registered a low increase.

Table 23 : Development of export indexes (base 100 in 1990)

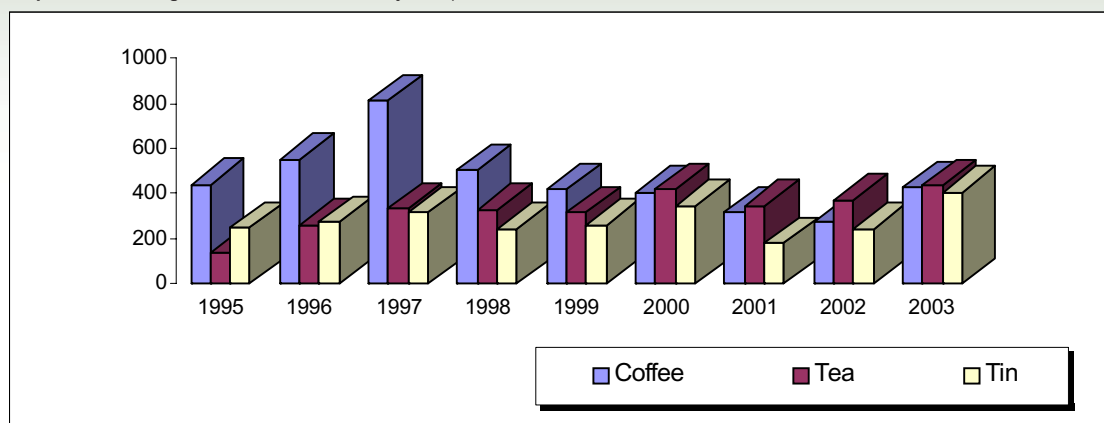
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Volume index	48.0	45.7	42.5	43.1	47.9	42.5	54.3	55.4	56.7
Coffee	47.4	44.1	31.7	32.9	40.2	33.9	39.5	39.6	32.3
Tea	48.2	63.0	110.3	128.6	108.1	114.4	129.6	116.8	122.5
Tin	35.2	31.3	32.5	18.7	52.6	36.4	94.7	94.1	204.1
Wolfram	14.1	30.4	32.2	62.2	42.9	73.6	82.3	165.6	61.4
Pyrethrum	69.3	20.7	158.0	48.0	13.7	0.0	53.5	44.8	51.7
Hides and skins	249.2	162.2	223.9	121.9	88.0	66.7	124.8	466.0	666.5
Total value index	170.6	220.8	287.0	216.2	195.3	208.4	218.8	217.9	294.2
Coffee	208.2	243.5	251.7	162.3	163.8	137.2	124.8	108.7	138.3
Tea	64.3	163.8	359.1	411.8	335.1	481.5	446.7	433.2	537.2
Tin	86.8	84.7	99.7	44.4	133.2	126.0	170.7	228.8	828.5
Wolfram	40.1	141.3	105.6	187.4	99.3	276.2	463.9	646.1	317.8
Pyrethrum	81.8	57.0	640.1	174.2	54.9	0.0	258.5	304.5	320.2
Hides and skins	304.0	456.2	644.5	294.6	84.1	79.7	211.8	737.1	1231.0
Average value index	356.2	483.6	691.2	513.7	417.0	490.8	402.9	393.3	519.0
Coffee	439.0	551.5	810.7	504.3	416.3	404.8	315.6	274.1	428.6
Tea	133.5	260.2	333.1	327.3	317.1	420.8	344.6	370.8	438.5
Tin	247.2	270.7	313.1	241.6	258.7	345.3	180.2	243.0	405.6
Wolfram	285.2	465.4	335.3	307.3	236.4	376.4	563.2	389.7	518.1
Pyrethrum	118.2	274.4	414.2	371.4	406.2	0.0	482.7	678.7	618.5
Hides and skins	122.1	281.4	294.6	247.3	97.9	119.8	169.6	158.2	184.7

Source : NBR, Department of Foreign Exchange Inspection and Balance of Payments

The average value of the country's exports improved markedly as shown in Table 22. For the major export products, the export average value index increased by 66.9% for tin and 56.4% for coffee, two products whose unit price rose sharply.

The average value for wolfram, tea and hides and skins also grew, their value indexes increasing by 33.0%, 18.3% and 16.7% respectively. Only the average value index for pyrethrum registered a fall estimated at 8.9%, a situation resulting however from the fact the average price for this product grew faster than the exported volume.

The exports volume index also increased by 2.4 points, though export volume for coffee and wolfram declined significantly from one year to the other. Total volume was increased by the exports of tin, the volume of which in 2003 more than doubled that of the previous year.

Graph 10 : Average value indexes for major exports (base 100 in 1990)

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

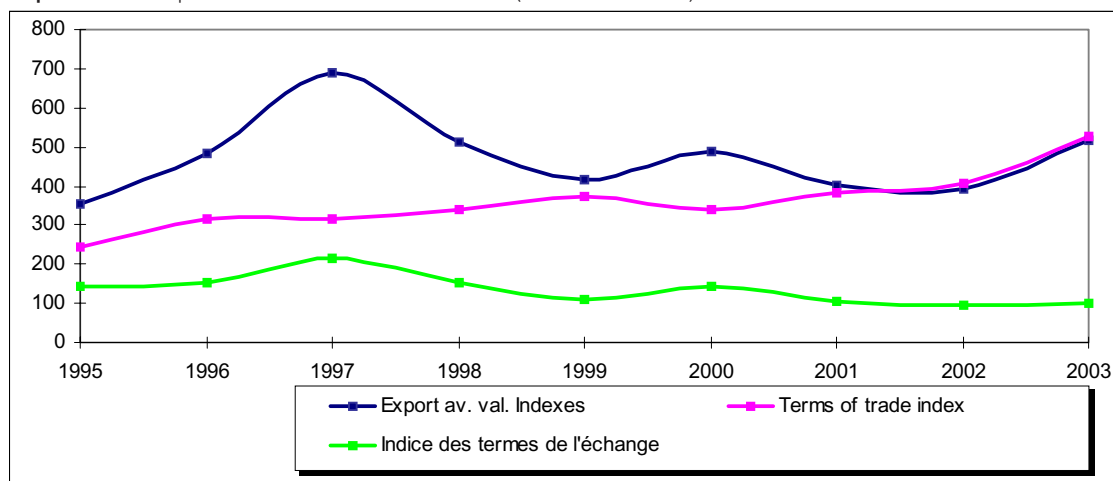
C. Terms of Trade

Despite the significant drop in the value of the country's exports, the terms of trade improved slightly during 2003, and their index increased by 2.6%. This situation was due to the increase of the exports unit value which was greater than that of imports, by 32.0% and 28.6% respectively. The country's capacity to import, illustrated by the total earnings index from trade, improved by 5.1%, marking a turn around of the trend observed since 2001.

Table 24 : Index of the terms of trade and trade-related total earnings

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Export average value index	356.2	483.6	691.2	513.7	417.0	490.8	402.9	393.3	519.0
Import average value index	244.0	314.8	318.5	337.9	372.3	342.2	381.6	408.5	525.4
Terms of trade index	146.0	153.6	217.0	152.0	112.0	143.4	105.6	96.3	98.8
Export volume index	48.0	45.7	42.5	43.1	47.9	42.5	54.3	55.4	56.7
Trade-related total earnings index	70.1	70.2	92.2	65.5	53.7	61.0	57.3	53.3	56.0

Source : NBR, Department of Foreign Exchange Inspection and Balance of Payments

Graph 11 : Development of the terms of trade index (base 100 in 1990)

Source : NBR, Department of Foreign Exchange Inspection and Balance of Payments

Table 25: World price performance for coffee and tea

Coffee : Indicative current price of ICO, in cents per pound

Tea :Current price at London up to 1998 and at Mombasa since, in cents per kg

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Coffee									
Average price	140.2	101.7	131.6	107.4	84.1	64.3	45.9	47.3	52.2
Other soft arabica	154.5	121.5	182.9	134.3	103.6	87.3	62.9	59.8	64.6
Robusta	125.8	82.1	79.8	80.5	67.2	41.3	27.2	29.4	39.1
Tea									
Average price	103.3	115.0	137.7	155.5	130.0	150.0	120.0	128.1	149.0
Rwandan tea	93.4	109.9	149.1	Nd	151.0	179.0	146.0	149.0	159.0

Source : NBR, Research Department

II.2 Public Finance and Public Debt

II.2.1 Public Finance

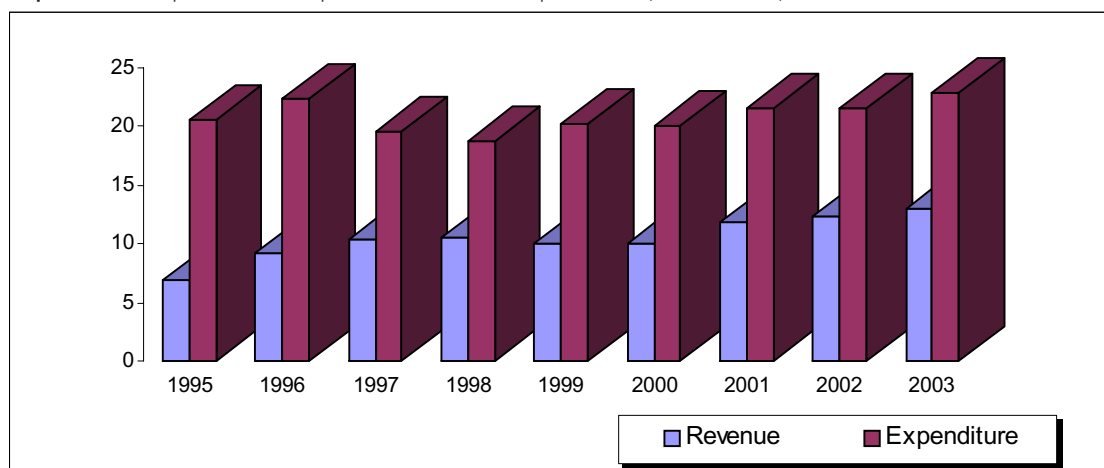
1. General Development of the Financial Operations of Government

During 2003 financial year, the Government continued with its efforts to restore financial health by controlling expenditure and increasing tax revenues, particularly through increased recovery capacity and expanding the tax base.

The study of the financial operations of Government for this year reveals a slight increase of fiscal pressure, which however was accompanied with a relatively significant increase of public expenditure, resulting in the deterioration of budget deficit.

The current account budget deficit exceeded the objective of the fiscal Act of 2003 due to the amount of current expenditure in relation to the domestic revenues. These expenses were linked to exceptional social and political programmes, particularly transfers to the support fund for genocide survivors, allowances for demobilized soldiers, Gacaca programme and expenses linked to the end of the transitional period (Parliamentary and Presidential elections and others).

Graph 12: Development of total public revenues and expenditures (as % of GDP)



Source : NBR, Research Department

Public revenue, which represented 12.4% of GDP in 2002, was 13.0% in 2003, an increase resulting from the efforts of Rwanda Revenue Authority in tax recovery. The level of current expenditure however rose to 17.3% of GDP compared to 15.2% in 2002. However, some important expenses such as salaries were relatively controlled and social sectors continued to be given priority (health, education...).

Concerning debt service charges, they continued to affect budget performance in the year under review, even though they were brought down to 4.8% of total expenditure from 6.2% in 2002.

It should also be noted that Government strengthened its domestic credibility by honouring its financial commitments to the private sector despite the reduction of external budgetary grants in absolute terms, but whose relative share increased in 2003, representing 7.8% of GDP against 7.2% the previous year.

Table 26: Development of Government financial operations (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue and grants	61.5	70.8	95.9	99	102.5	133	149.6	160.3	195.5
Total revenue	23.1	39.4	58.1	66	63.6	68.7	86.2	101.2	122.3
Tax revenue	21.7	36.2	54.9	62.6	60.4	65.4	79.5	94.6	114.7
Non-tax revenue	1.4	3.2	3.1	3.4	3.2	3.3	6.7	6.6	7.7
Grants	38.4	31.4	37.8	33	38.9	64.1	63.4	59.1	73.1
Expenditure and net lending	69.4	95.3	109.6	117.4	129.5	136.8	158.1	176.5	217.8
Total expenditure	69.4	95.4	110.1	117.6	127.9	136.4	157.5	175.9	213.8
Current expenditure	42.1	55.9	64	75.3	87.1	94.3	107.5	123.7	162.7
Current deficit	-19	-16.5	-5.9	-9.3	-23.5	-25.6	-21.3	-22.5	-40.4
Capital expenditure	27.3	39.4	46.1	42.3	40.8	42.1	50	40.7	51.1
Net lending	0	0	-0.5	-0.2	1.6	0.4	0.6	0.6	4.0
Overall deficit (payment order basis):									
Excluding grants	-46.3	-55.9	-52	-51.6	-64.3	-67.7	-71.9	-74.8	-95.5
Including grants	-7.9	-24.5	-14.2	-18.6	-25.4	-3.6	-8.5	-15.7	-22.3
Overall deficit (cash basis with grants)	5.4	-15.1	-12.6	-41	-30.3	-9.4	-37.3	-17.4	-35.5
Net financing	-5.4	15.1	12.6	39.6	25.8	18	37.3	31.1	27.2
External	7.4	10.6	12	39.6	25.8	18	40.9	30.5	21.9
Domestic	-12.8	4.5	0.6	1.4	4.5	-8.6	-3.6	0.7	5.2
For the record :	(as percentage of GDP)								
Revenue and grants	18.3	16.6	17	15.8	16.2	19.5	20.4	19.7	20.8
Total revenue	6.9	9.2	10.3	10.5	10	10.1	11.8	12.4	13.0
Tax revenue	6.4	8.5	9.7	10	9.5	9.5	10.9	11.6	12.2
Grants	11.4	7.4	6.7	5.3	6.1	9.4	8.7	7.2	7.8
Expenditure and net lending	20.6	22.4	19.5	18.7	20.4	20.1	21.6	21.6	23.2
Total expenditure	20.6	22.4	19.5	18.7	20.2	20	21.5	21.6	22.8
Current expenditure	12.5	13.1	11.4	12	13.8	13.8	14.7	15.2	17.3
Capital expenditure	8.1	9.2	8.2	6.7	6.4	6.2	6.8	5.0	5.4
Current deficit	-5.6	-3.9	-1	-1.5	-3.7	-3.8	-2.9	-2.8	-4.3
Deficit, including grants	-2.3	-5.7	-2.5	-3	-4	-0.5	-1.2	-9.2	-10.2
Deficit, excluding grants	-13.8	-13.1	-9.2	-8.2	-10.2	-9.9	-9.8	-1.9	-2.4

Source : MINECOFIN, Budget Department

2. Domestic Revenue

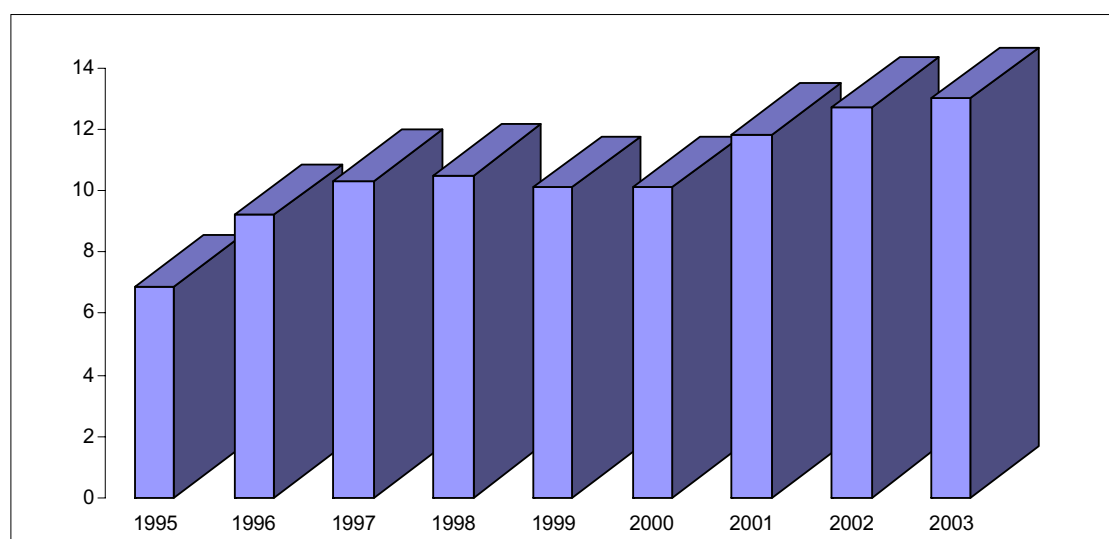
During the financial year under review, Government was able to collect both tax revenues and non-tax revenues amounting to RWF 122.3 billion, compared to 101.2 billion in 2002, representing a significant increase of 20.8%.

Table 27: Development of domestic revenue (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tax revenue	21.7	36.2	54.9	62.6	60.4	65.4	79.5	94.6	114.7
As % of total revenue	93.9	91.9	94.5	94.8	95.0	95.2	92.2	93.5	93.8
Non-tax revenue	1.4	3.2	3.1	3.4	3.2	3.3	6.7	6.6	7.7
As % of total revenue	6.1	8.1	5.3	5.2	5.0	4.8	7.8	6.5	6.3
Total revenue	23.1	39.4	58.1	66	63.6	68.7	86.2	101.2	122.3
as % of GDP	6.9	9.2	10.3	10.5	10.1	10.1	11.8	12.7	13.0

Source : MINECOFIN, Budget Department

Graph 13: Development of domestic revenue (as % of GDP)



Source : MINECOFIN, Budget Department

A. Tax Revenues

Tax revenues in 2003 improved in all categories of duties and taxes. Import duties and taxes on domestic trade recorded considerable increase of 32.3% and 20.8% respectively. Taxes on income and profits registered also an increase of 16.6% while taxes on property did not change.

A.1. Taxes on goods and services

During 2003 financial year, taxes on goods and services represented an important share in tax revenues, i.e. more than 50%. Compared to 2002, it increased by 20.8% from RWF 47.6 billion to 57.5 billion. This category of taxes was largely dominated by VAT and general turnover taxes which accounted for 66%. Excise duties on beer, fuel, cigarettes, lemonades, soft drinks and mineral water represented a non negligible share (28%).

Table 28: Development of tax revenues, 1995-2003 (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes on goods and services	9.9	14.4	21.9	28.5	33.6	35.2	41.0	47.6	57.5
Excise duties	5.7	6.9	10.6	13.8	17.9	18.9	14.2	14.4	16.2
Turnover tax/VAT	3.0	5.9	7.5	12.1	12.9	13.8	24.2	30.0	38.2
Revenue from the Road Fund	1.2	1.6	3.8	2.6	2.7	2.5	2.6	3.2	3.1
Taxes on external trade	8.9	11.5	18.5	15.8	11.0	11.6	14.0	16.7	22.1
Import duties	6.9	10.7	13.5	12.0	8.4	9.3	11.1	13.2	18.0
Export duties	1.8	0.3	4.3	1.5	0.0	0.0	0.0	0.0	0.0
Other revenues	0.2	0.5	0.7	2.3	2.6	2.3	2.9	3.5	3.6
Income and profits taxes	2.9	10.3	14.5	18.5	15.8	18.5	24.5	29.5	34.4
Private companies and enterprises	0.8	6.6	9.3	13.3	7.4	10.4	14.9	18.5	17.9
Personal income tax	1.7	2.7	3.6	4.5	6.1	7.5	9.0	11.0	16.5
Other taxes	0.3	0.7	1.4	0.5	1.7	0.0	0.0	0.0	0.0
Property tax	0.1	0.3	0.2	0.2	0.6	0.6	0.6	0.7	0.7
Tax revenues	21.7	36.2	54.9	62.6	60.4	65.4	79.5	94.6	114.7
<i>as % of total revenues</i>	<i>93.9</i>	<i>91.9</i>	<i>94.5</i>	<i>94.8</i>	<i>95.0</i>	<i>95.1</i>	<i>92.5</i>	<i>93.5</i>	<i>93.8</i>
<i>as % of GDP</i>	<i>6.4</i>	<i>8.5</i>	<i>9.7</i>	<i>9.9</i>	<i>9.4</i>	<i>9.5</i>	<i>11.0</i>	<i>11.9</i>	<i>13.0</i>

Source: MINECOFIN, Budget Department

A.2. Taxes on external trade

Taxes on external trade still accounted for an important part of the country's tax revenue, and for 2003 financial year, they accounted for 19.3% of total tax revenue against 17.7% in 2002. These taxes consist for the most part of import duties, of which customs duties, tax on oil and surtax.

Import duties increased by RWF 4.8 billion in 2003 and stood at 18 billion, accounting for an important share of more than 15.7% of total tax revenues, against 13.9% the previous year. However, it should be noted that this increase was not the result of the increased volume of imports, but rather and to a large extent, of the depreciation of the national currency which had a knock-on effect on the value of imports expressed in RWF and, to a lesser degree, of the upward review of tax rates for certain categories of goods.

A.3. Taxes on income and profits

Taxes on income and profits ranked second in total tax revenues, coming after taxes on goods and services. They represented 30% of total tax revenues against 31.2% in 2002. This situation was due to considerable growth of income and profits of personal income tax which increased from RWF 11 billion to 16.5 billion from one year to the other, while for the same period, taxes on profits of private companies fell by 3.2% and stood at RWF 17.9 billion.

A.4. Taxes on property

Tax revenues realized from taxes on property (buildings, vehicles) did not vary between 2002 and 2003. They were estimated at RWF 0.7 billion and their share in total revenues remained negligible at 0.6%.

B. Non-tax revenues

Non-tax revenues, consisting of payments of dividends from public and parastatal companies and administrative fees, recorded considerable growth of about 16.7%, amounting to RWF 7.7 billion, though this was still a low level compared to other sources of domestic revenues. They in fact represented 6.3% only of total revenues against 6.5% in 2002. This situation was due particularly to poor performance of public enterprises which in any case the Government is trying to privatize.

3. Public Expenditure

Total public expenditure have been increasing significantly for some years, due mainly to the acquisition of goods and services and the repayment of public debt. On the whole, the state of public expenditure has not improved really. Budget deficit is still at a relatively high level and current expenditure account for a predominant share in this at the expense of capital expenditure which ought to be at a much higher level, given the amount of the country's investment needs.

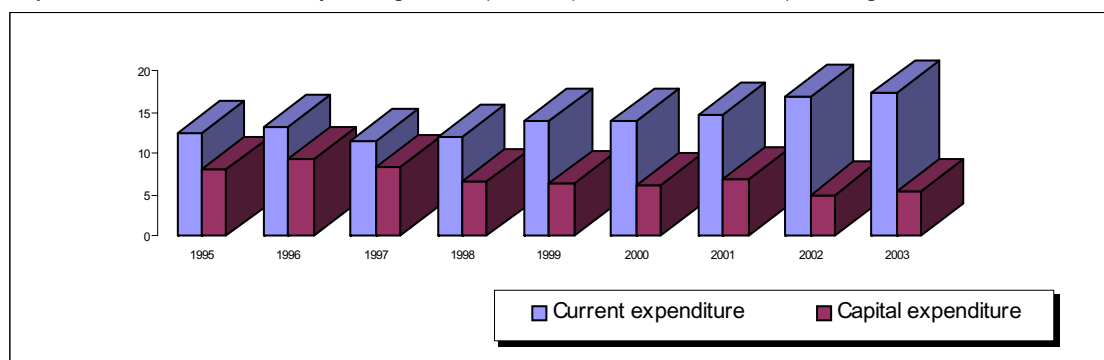
Table 29: Development of public expenditures (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current expenditure	42.1	55.9	64.0	75.3	87.1	94.3	107.5	123.7	162.7
as % of total expenditure	60.7	58.7	58.4	64.1	68.3	69.0	68.0	70.3	76.1
as % of GDP	12.5	13.1	11.4	12	13.8	13.8	14.7	15.2	17.3
Capital expenditure	27.3	39.4	46.1	42.3	40.8	42.1	50.0	40.7	51.1
as % of total expenditure	39.3	41.3	42.1	36	32	30.9	31.6	23.1	23.9
as % of GDP	8.1	9.2	8.2	6.7	6.4	6.2	6.8	5.0	5.4
Total expenditure	69.4	95.3	110.1	117.6	127.9	136.4	157.5	175.9	213.8
as % of GDP	20.6	22.3	19.5	18.7	20.2	20.0	21.6	21.6	22.8

Source: MINECOFIN, Budget Department

In relative terms, it should be noted that 2003 was marked by a slight increase of the share of these domestic expenditure in GDP. They increased from 21.6% in 2002 to 22.8%, an increase which cannot however be qualified as qualitative because it is much more associated with the increase of current expenditure than with capital expenditure, which nonetheless stood at 51.1 billion RWF against 40.7 billion RWF in 2002, representing 5.4% and 5.0% respectively of GDP. Over this period, the share of current expenditure in GDP increased noticeably by 2.1 percentage points and stood at 17.3%.

Graph 14: Trend of shares of major categories of public expenditures in GDP (in percentages)



Source : NBR, Research Department

A. Current expenditure

During 2003 financial year, all categories of current expenditure recorded an upward movement compared to the previous year. The most significant increases were recorded at the level of exceptional expenditure (+33.5%), followed by expenses for the acquisition of goods and services (+30.4%).

Table 30: Development of current expenditure (in billions of RWF, unless otherwise indicated)

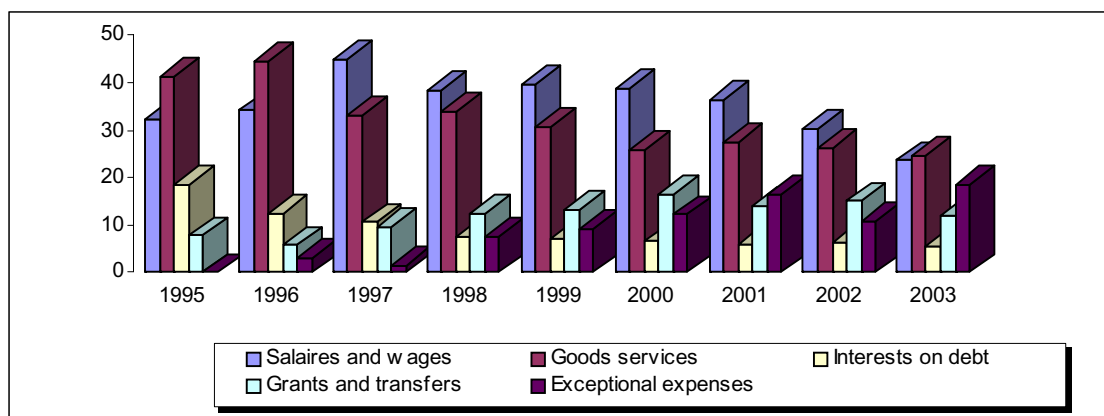
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Wages and Salaries	13.6	19.1	28.7	28.9	34.4	36.7	39.0	40.6	44.0
<i>As % of total public expenditure</i>	32.3	34.1	44.9	38.4	39.5	38.9	36.3	30.2	23.6
Goods and services	17.4	25.0	21.2	25.5	26.8	24.4	29.4	35.2	45.9
<i>As % of total public expenditure</i>	41.3	44.6	33.2	33.9	30.8	25.9	27.3	26.1	24.7
Interests on public debt	7.8	6.9	6.8	5.7	6.4	6.1	6.3	8.3	10.2
<i>As % of total public expenditure</i>	18.5	12.3	10.6	7.6	7.3	6.5	5.9	6.2	5.5
Subsidies and transfers	3.3	3.2	6.2	9.3	11.6	15.6	15.1	20.4	22.3
<i>As % of total public expenditure</i>	7.8	5.7	9.7	12.4	13.3	16.5	14.0	15.1	12.0
Exceptional expenditure	0.0	1.8	1.0	5.8	7.9	11.5	17.7	19.2	40.2
<i>As % of total public expenditure</i>	0.0	3.2	1.6	7.7	9.1	12.2	16.5	10.9	18.4
Current expenditure	42.1	56	63.9	75.2	87.1	94.3	107.5	123.7	162.7
As % of GDP	12.5	13.1	11.3	12	13.8	13.8	14.7	15.2	17.3

Source: MINECOFIN, Budget Department

With regard to their structure as illustrated in graph 15 below, it is worth noting that, like in the previous years, expenditure for the acquisition of goods and services as well as wages and salaries still occupied an important place in total current expenditure, ahead of those called exceptional expenses which gained in importance during the last three years.

It should be noted that these exceptional expenditure were linked to the Government programme which had to grapple with some urgent but temporary budgetary constraints. In 2003, they covered, among others, Government contribution to the Genocide Survivors Assistance Fund (FARG), GACACA programme, the demobilization of soldiers and their reintegration in ordinary life, purchase of food for prisoners, assistance to orphans and other vulnerable groups, as well as expenses linked to the end of the political transition, as mentioned earlier.

Graph 15: Development of the current expenditure structure (as % of total public expenditure)



Source: MINECOFIN, Budget Department

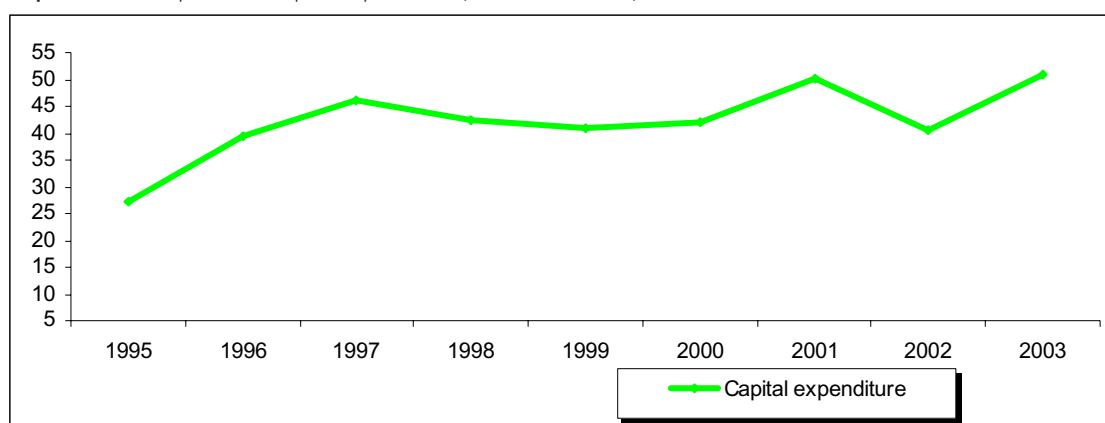
Subsidies and transfers accounted also for an important share in public expenditure. Like in the previous financial years, they consisted of expenses incurred by the State in the running of some public institutions, financing the community development fund, assisting districts, towns and some non profit making associations and organizations, paying scholarships and contributions to international organizations and others.

B. Capital expenditure

During 2003 financial year, capital expenditure, funded mainly by donors who finance almost all investment projects, accounted for 31% of budget allocations for the year, a decrease of 2 percentage points compared to their level in 2002.

This situation can be explained not only by the conditionalities which have been more stringent with regard to external disbursements as programmed, but also by delays in the preparation of projects for financing, despite the Government's efforts to strengthen its implementation and monitoring capabilities of public investments.

Graph 16: Development of capital expenditure (in billions of RWF)



Source : NBR, Research Department

4. Budget Deficit and its Financing

A. Budget deficit

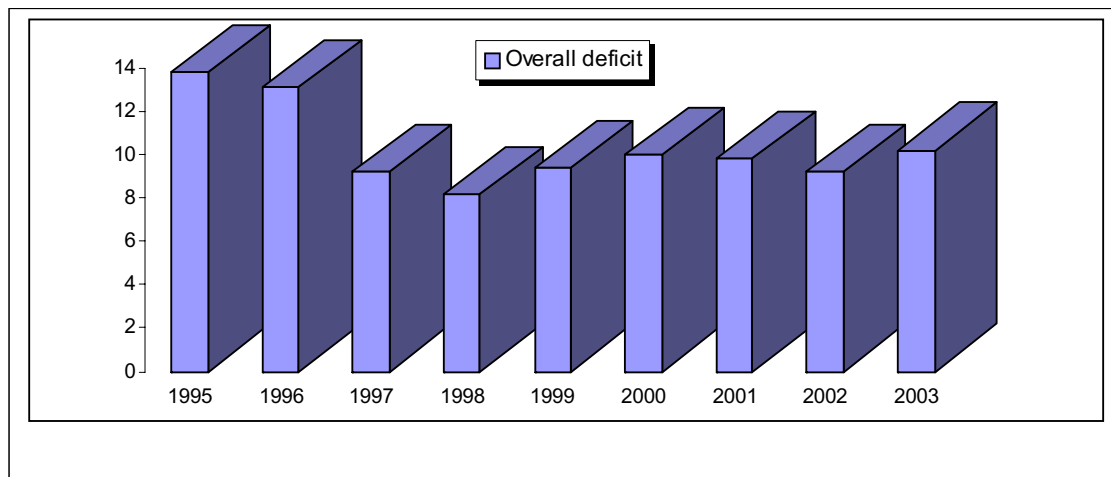
Despite the efforts made to control public finance since 1995, the size of the persistent budget deficit denotes, on one hand, the limited progress made in the recovery of domestic revenues and, on the other, the serious difficulties facing the Government in its efforts to control expenditure. Public expenditure continue to increase faster than revenues which rely on a taxable base which is still limited by the small tax base and the buoyancy of the economic activities of the private sector.

Table 31: Development of budget deficit (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total revenues	23.1	39.4	58.1	66.0	63.6	68.7	86.2	101.2	122.3
Current expenditure	42.1	55.9	64.0	75.3	87.1	94.3	107.5	123.7	162.7
Current deficit	-19.0	-16.5	-5.9	-9.3	-23.5	-25.6	-21.3	-22.5	-40.4
As % of GDP	-5.6	-3.9	-1.0	-1.5	-3.7	-3.8	-2.9	-2.9	-4.3
Capital expenditure	27.3	39.4	46.1	42.3	40.8	42.1	50.0	40.7	51.1
Net loans	-	-	-0.5	-0.2	1.6	0.4	0.6	0.6	4.0
Overall deficit	-46.3	-55.9	-52.0	-51.6	-64.3	-67.7	-71.9	-74.8	-95.5
As % of GDP	-13.8	-13.1	-9.2	-8.2	-9.4	-10.0	-9.8	-9.2	-10.2

Source: MINECOFIN, Budget Department

It is worth noting that the level of budget deficit remained quite high during 2003 and that its share in GDP increased from 9.2% to 10.2% between 2002 and 2003.

Graph 17: Budget deficit (as % of GDP)

Source : NBR, Research Department

B. Deficit financing

As in the previous financial years, budget deficit in 2003 was financed mainly from external sources, consisting of drawings on loans and disbursements of external budget support. As indicated earlier, these external resources have been declining sharply, from RWF 30.5 billion to 21.9 billion between 2002 and 2003. Over this period, aid flows not tied to projects fell sharply from RWF 27.7 billion to 5.5 billion and, as a result of this situation, domestic financing increased considerably compared to recent years, increasing to RWF 5.2 billion against 0.7 billion in 2002.

Table 32: Evolution of financing (in billions of RWF, unless otherwise indicated)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Overall deficit (payment orders excluding grants)	-46.3	-55.9	-52.0	-51.6	-64.3	-67.7	-71.9	-74.8	-95.5
Overall deficit (payment orders including grants)	-7.9	-24.5	-14.2	-18.6	-25.4	-3.6	-9.9	-15.7	-22.3
Grants	38.4	31.4	37.8	33.0	38.9	64.1	61.9	59.1	73.1
Change in arrears	13.3	9.4	1.6	-22.4	-4.9	-5.8	-31.7	-1.7	-13.2
Deficit (cash basis with grants)	5.4	-15.1	-12.6	-41.0	-30.3	-9.4	-37.3	17.4	-35.5
Total financing	-5.4	15.1	12.6	39.6	25.8	18.0	37.3	31.1	27.2
External financing	7.4	10.6	12.0	39.6	25.8	18.0	40.9	30.5	21.9
Domestic financing	-12.8	4.5	0.6	1.4	4.5	-8.6	-3.6	-0.7	5.2
Banking sector	-12.6	-1.8	0.7	0.0	-1.8	-6.6	5.7	3.0	5.2
Non banking sector	-0.2	6.3	-0.1	1.4	6.3	-2.0	2.1	-2.4	0.0

Source: MINECOFIN, Budget Department

II.2.2 Domestic Public Debt

To deal with the problem of both insufficient revenues and the size of the budget deficit, the Government had to resort to loans. Domestically, it borrowed from the Central Bank, deposit banks and from the non banking sector.

Table 33: Development of domestic debt (in billions of RWF)

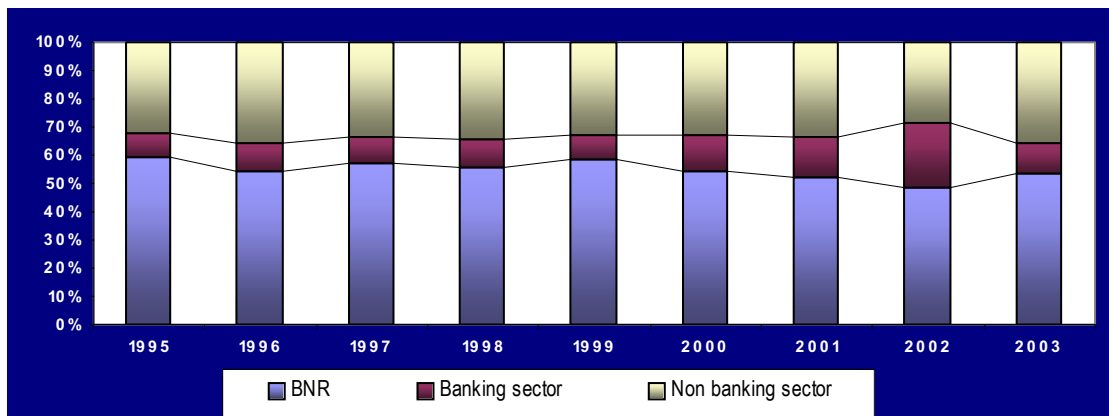
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
NBR	42.3	37.1	44.1	44.4	50.7	44.6	43.5	42.9	43.9
Consolidated debt	1.4	34.5	43.5	43.5	43.5	43.5	43.5	42.9	42.4
Overdraft and imprest	3.0	2.6	0.7	1.0	7.2	1.1	-	-	1.5
Revaluation	10.5	10.2	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Banking sector	5.9	7.0	7.1	7.9	7.5	10.7	11.8	20.0	8.6
Treasury bills	4.3	5.2	7.1	7.9	7.5	10.7	11.8	20.0	8.6
Development bonds	1.6	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non banking sector	22.8	24.5	26.3	27.5	28.7	27.2	28.1	25.4	29.2
Treasury bills	2.2	2.4	2.7	4.3	4.1	3.8	5.6	3.7	7.5
Treasury bills (formerly development bonds)	20.6	22.2	23.6	23.2	24.5	23.3	22.5	21.7	21.7
Others	0.8	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0
Current postal account	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Net working capital	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0
TOTAL	71.8	69.4	78.4	80.7	87.7	82.5	83.4	88.3	81.6

Source : BNR, Département des Etudes

Domestic public debt currently consists of the consolidated debt, overdrafts granted to Government by the Central Bank, former restructured Development and Treasury bonds, as well as Treasury bills issued on behalf of the Government and to which subscribe commercial banks and other financial and non financial institutions, and individuals though to a very limited extent.

In 2003, domestic public debt decreased by RWF 6.7 billion compared to 2002, a development explained by considerable repayments effected to the commercial banks which had subscribed to Treasury bills. In fact, the public debt stock covered by Treasury bills amounted to RWF 8.6 billion in 2003 against 20.0 billion in 2002.

Graph 18: Development of the structure of domestic debt



Source : NBR, Research Department

In terms of outstanding debt, domestic public debt dropped to RWF 70.8 billion in 2003, compared to 75.3 billion in 2002.

Table 34: Development of outstanding domestic public debt (in billions of RWF)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Central Bank	34.2	37.1	44.1	44.4	50.7	44.6	43.5	42.9	42.4
Other banks	4.9	5.2	7.1	7.9	7.5	10.7	11.8	15.3	8.5
Non banking sector	16.2	16.2	16.3	16.9	16.7	16.4	18.2	17.1	19.9
TOTAL	55.3	58.5	67.5	69.2	74.9	71.7	73.5	75.3	70.8

Source : NBR, Research Department

As shown in Table 34 above, despite the repayment of part of the debt owed to National Bank of Rwanda and to commercial banks during 2003 financial year, the level of the domestic debt remained high. Outstanding debt to the banking sector decreased considerably indeed, but debt owed to the non banking sector, which was much higher than that owed to banks, recorded a rise compared to 2002.

With regard to overdrafts from the Central Bank to Government, it is worth noting that the amounts varied depending on the evolution of Government finance. As at 31/12/2003, Government finance stood at RWF 1.5 billion, thanks to a budget support of more than RWF 6.0 billion disbursed during the month of December 2003.

II.3 Monetary and Financial Sector

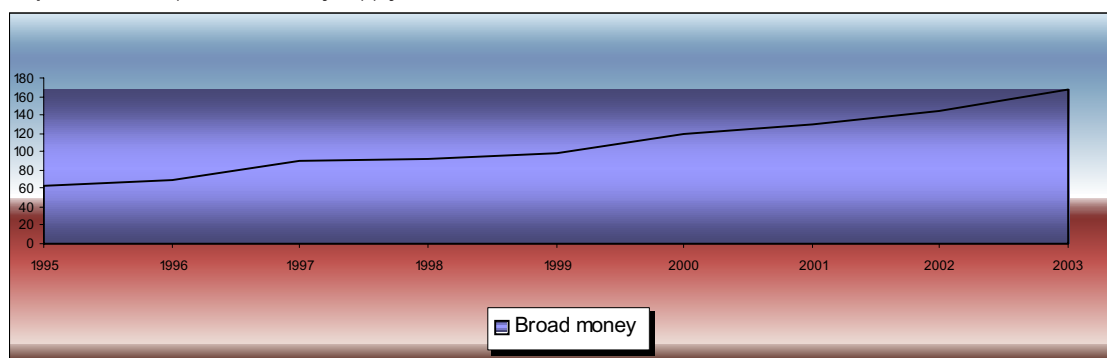
II.3.1 Money

As in the past, the development of the monetary situation in 2003 was determined by the evolution of the financing needs of the economy in general, and those of the Government in particular. Government needs were particularly felt as a result of the need to finance specific activities in the political field linked to the end of the political transition.

1. Money Supply

In such context, monetary expansion exceeded markedly the level initially anticipated, the financial year under review having been marked by an over expansion of money supply estimated at 16.1% against real GDP growth of 3.4%. Owing to the very high domestic financing of budget deficit, the growth of money supply exceeded the target of 9.2% anticipated in the monetary programme for the year.

Graph 19 : Development of money supply (in billions of RWF)



Source : NBR, Research Department

During the year, however, money supply recorded a saw tooth development during the first half of the year, and a strong and continuous growth during the second half. By end of May 2003, money supply stood at RWF 150.5 billion, an increase of 4.5% compared to the situation at the end of December 2002. The development observed during the first half of the year was in keeping with the growth of 9.2% targeted for the whole year.

During the second half of the year, however, money supply recorded a fast and sustained evolution. This development was a result mainly of the Government resorting to increased financing by the banking sector due to increased expenditure necessitated by the political timetable and irregular external financing. This led to public deficit (including grants and on the basis of payment order) amounting to RWF 41.5 billion, against 33.4 billion the previous year.

Concerning credit to the economy, its development was largely influenced by loans granted to Hotel Prime Holding.

During the period under review, M1 aggregate registered an increase from 75.4 billion RWF by end December 2002 to RWF 87.2 billion a year later, representing a rise of 15.6%. This improvement was particularly linked to the increase of the currency in circulation from RWF 28.0 billion to 34.1 billion, representing a rise of 21.8% against 12.0% in 2002.

As to quasi-money assets (fixed term deposits and related items and foreign currency deposits), they rose to RWF 80.4 billion against 68.9 billion the previous year, an increase of 16.7%.

Table 35: Development of money supply and its counterparts (in billions of RWF)

Description	2001	2002	2003											
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Money supply (M2)	130.7	144.3	144.0	146.7	143.3	146.1	150.5	145.9	157.2	156.5	158.3	162.4	159.2	167.5
Narrow money	69.0	75.4	75.3	75.5	74.6	76.0	75.6	80.6	79.8	79.9	82.9	83.8	80.0	87.2
Currency in circulation	25.8	28.0	26.2	27.0	26.4	26.6	28.2	29.4	31.1	30.8	32.1	30.5	30.4	34.1
Demand deposits	43.2	47.4	49.1	48.5	48.2	49.4	47.4	51.2	48.7	49.1	50.8	53.3	49.6	53.1
Quasi-money	61.6	68.9	68.7	71.2	68.6	70.2	74.9	65.4	77.5	76.5	75.5	78.6	79.2	80.4
Time & savings deposits	33.6	39.5	38.7	40.7	38.3	39.1	41.3	29.4	40.0	37.5	37.5	37.5	39.4	38.3
Foreign currency deposits	28.0	29.4	30.0	30.5	30.3	31.1	33.6	36.0	37.5	39.0	38.0	41.1	39.8	42.1
M2 counterparts	130.7	144.3	144	146.7	143.3	146.1	150.5	145.9	157.2	156.5	158.3	162.4	159.2	167.5
Net foreign assets	81.0	103.7	104.7	102.2	103.0	97.4	103.8	105.0	101.7	93.9	90.6	94.0	95.8	104.2
Domestic assets	49.7	40.6	39.3	44.5	40.3	48.7	46.7	40.9	55.5	62.6	67.7	68.4	63.5	63.3
of which : net credit to Govt.	18.7	1.2	2.4	5.6	4.8	15.9	13.7	4.7	16.0	19.0	20.8	21.5	13.6	17.0
private sector	76.5	85.8	84.2	84.7	81.5	80.5	82.7	88.1	88.4	90.9	95.7	95.8	97.0	97.7

Source : NBR, Research Department

II.3.2. Money Supply Counterparts

A. Foreign Assets

By end December of the period under review (2003), the country's foreign assets rose to RWF 104.2 billion against 103.7 billion in December 2002, representing a modest increase of 0.5%. In terms of foreign exchange, however, they recorded a fall of 11.4%, amounting to the equivalent of 179.6 million US\$.

Table 36: Development of the country's foreign assets (in billions of RWF, end of period)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
NBR net foreign assets	13.7	18.8	27.7	28.0	27.0	37.4	51.3	72.5	65.5
Assets	29.6	32.4	46.7	54.3	60.9	82.1	97.1	124.7	124.3
Liabilities	15.9	13.6	19	26.3	33.9	44.7	45.8	52.2	58.8
Banks net foreign assets	14.4	18.8	18.5	20.2	17.8	29.5	29.7	31.2	38.7
Assets	15.6	20.2	22.3	24.0	19.7	32.9	34.3	39.1	49.8
Liabilities	1.2	1.4	3.8	3.8	1.9	3.4	4.6	8.0	11.1
Total net foreign assets	28.1	37.6	46.2	48.2	44.8	66.9	81.0	103.7	104.2

Source : NBR, Research Department

Compared to end December 2002, net foreign assets of National Bank of Rwanda showed a downward trend of 9.7%, from RWF 72.5 billion to 65.5 billion by end December 2003. When expressed in US\$, this decrease was higher since these foreign assets fell sharply from RWF 141.6 million to 112.9 million, representing a fall of 20.3%. It should be noted that with the liberalization of foreign exchange, from the resources point of view, the trend of net foreign assets of NBR is mainly linked to the rate of external disbursements. From the use point of view, this trend is linked to the rate of foreign currency

expenditure to meet Government's external commitments and requirements of the partners of National Bank of Rwanda, particularly local commercial banks.

Net foreign assets of commercial banks increased from RWF 31.2 billion by end December 2002 to 38.7 billion by end December 2003, representing a rise of 24.0%. In US\$ terms, these assets recorded an increase of 9.5% only, from 60.9 to 66.7 million US\$.

B. Domestic Credit

After a contraction of 6.0% in 2002, domestic credit increased considerably by 33.3% during the period under review, an increase which concerned simultaneously its two components, namely net credit to Government and credit to the economy.

Table 37: Development of domestic credit (in billions of RWF)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Net credit to Government	22.5	22.4	23.0	19.4	26.2	24.3	18.7	1.2	17.0
Claims	49.3	52.3	49.7	51.4	58.5	50.8	50.8	57.8	59.0
Dépôts	26.8	29.9	26.7	32.0	32.3	26.4	32.1	56.6	42.0
Credit to the economy	29.8	29.9	46.0	56.1	61.7	70.2	76.2	88.1	102.0
Claims on ic enterprises	1.1	0.9	0.7	1.2	0.8	0.8	1.0	3.5	4.9
Claims on private sector	28.6	28.9	45.2	54.4	60.3	70.5	76.5	85.5	97.7
Autonomous agencies	-	-	-	-	-	-1.1	-1.3	-0.9	-0.6
Total	52.3	52.3	69.0	75.5	87.9	94.5	94.9	89.3	119.0

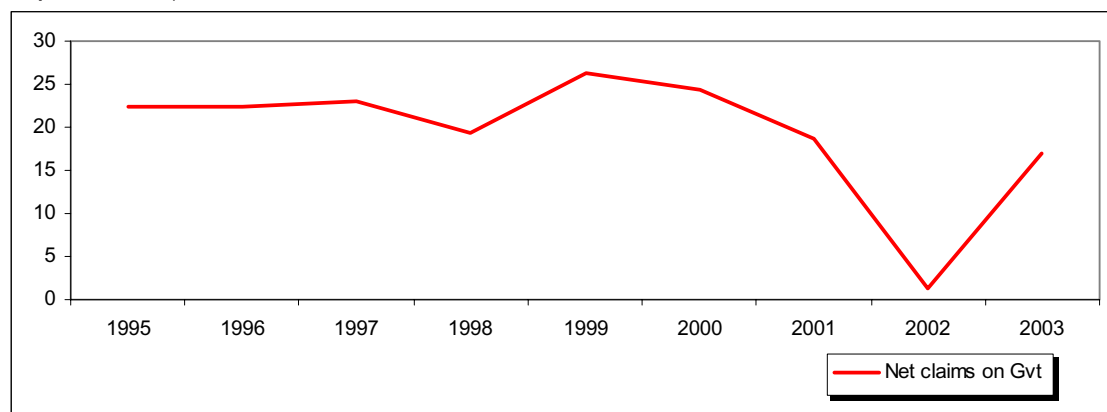
Source : NBR, Research Department

B.1. Net credit to Government

During the period under review, the growth of the net credit to Government was fast due to a considerable volume of expenditure not covered by foreign budgetary resources which had become very irregular. Thus, the level of the net credit to Government rose from RWF 1.2 billion to 17 billion between December 2002 and December 2003.

In fact, the year 2003 was marked by a significant slowdown of external disbursements compared to previous years. As a result, Government made an intensive use of resources from the banking sector to meet its expenditure which rose particularly starting from July, with a sharp expansion in October 2003.

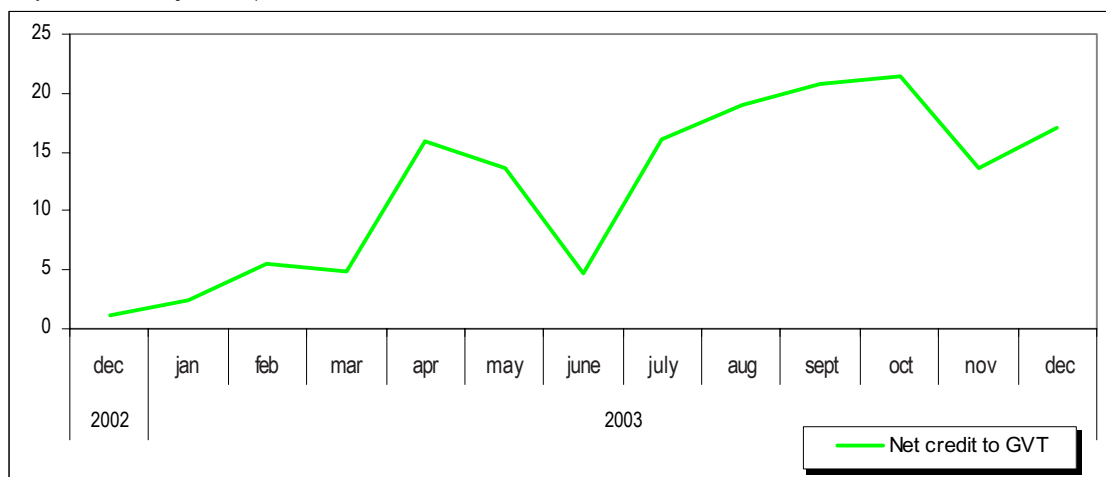
Graph 20: Development of net credit to Government (in billions of RWF)



Source : NBR, Research Department

During the year under consideration as illustrated by graph 21 below, net credit to Government showed erratic trends with a very sharp fall in June and a strong increase in October 2003. The fall in June was due to Government's considerable cash in hand consisting of budget support of RWF 1.8 billion received from Great Britain, inflows of tax revenues amounting to RWF 12.8 billion and the issue of Treasury bills to the tune of RWF 7.3 billion.

Graph 21: Monthly development of net credit to Government (in billions of RWF)



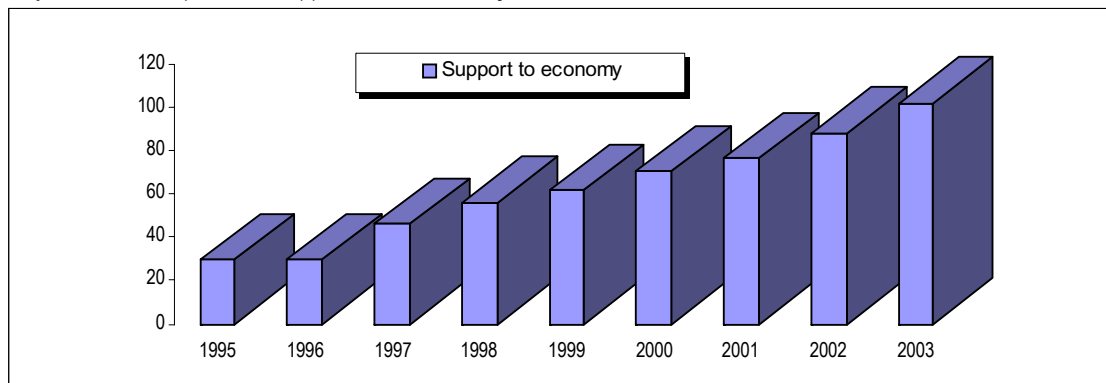
Source: NBR, Research Department

As pointed out earlier, the expansion of net credit to Government observed between June and October was a result of Domestic expenditure which were particularly high during this period, when expected budget support for the period took time to come.

B.2. Credit to the economy

During the period under review, total credit to the economy from the banking system rose from RWF 88.1 billion in 2002 to 102.0 billion, an increase of 15.8% against 15.6% the previous year. With 95.8% of total credit to the economy, the private sector maintained its predominant place.

Graph 22 : Development of support to the economy (in billions of RWF)



Source : NBR, Research Department

It is worth noting that for the second year running, public companies received increasing attention from the banking system. They were financed to the tune of RWF 4.9 billion against 3.5 billion in 2002.

New credits granted during 2003 increased by 22.3%, amounting to RWF 58.23 billion. The sector 'Trade, Restaurants and Hotels' was leading among the beneficiaries of this financing, having received new credits to the tune of RWF 28.22 billion, compared to 17 billion the previous year, representing an increase of 66%. This increase was due to the amount of financing granted to two big projects concerning hotel construction and rehabilitation.

Table 38: Distribution of new credits by sector of activity (*) (in billions of RWF)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture, livestock and fishery	0.15	0.08	0.20	0.64	1.59	0.27	0.64	1.49	2.0
Mining industry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.14
Manufacturing industry	2.48	1.77	3.56	8.15	5.69	4.79	4.60	8.40	6.64
Energy and water	0.33	0.28	0.01	0.30	0.39	0.33	0.56	0.14	0.12
Public works and construction	0.63	1.26	3.04	3.50	6.53	5.76	6.46	8.28	9.37
Trade, restaurants and hotels	8.18	16.85	11.32	28.44	27.20	25.63	19.49	17.00	28.22
Transport, warehousing and communications	0.78	0.89	1.93	2.98	2.41	2.98	3.06	5.55	5.42
OFI, insurance and other financial services	0.01	0.07	0.13	0.27	0.44	0.15	0.42	0.94	0.34
Services to the community	0.45	0.28	0.60	0.67	4.13	5.65	3.67	4.04	4.25
Activities not classified elsewhere	0.55	1.02	2.69	2.47	3.02	2.24	1.40	1.63	1.74
TOTAL	13.56	22.50	23.48	47.44	51.39	47.80	40.30	47.60	58.23

Source : NBR, Department of Monetary and Financial Markets

The public works and construction sector ranked second, recording a significant increase of 13.2% of financing by the banks. New credits for other sectors were insignificant, with the 'manufacturing industry' sector receiving even less new credits than the previous year.

Agriculture indeed received more new bank credits during 2003, but the level remained insignificant compared to the importance of this sector in the economy and the financial needs required for modernizing production in this sector.

II.3.3. Interest rates

Table 39 : Trend of interest rates (in percentages)

Description	2002				2003			
	March	June	Sept.	Dec.	March	June	Sept.	Dec.
Deposit rates	10,15	10,05	8,96	9,02	8,88	9,19	9,30	9,43
Lending rates	16,75	16,67	17,25	16,37	14,87	16,85	16,35	16,45
NBR money market rate								
- mopping up	8,44	7,51	9,82	10,5	10,24	9,29	11,01	11,63
- injection of funds	-	-	-	-	-	-	-	-
Discount rate	13,00	12,02	13,20	13,00	13,00	13,50	14,50	14,50
Interbank money market rate	9,73	10,19	10,04	9,91	9,10	9,52	10,80	10,38
Weighted average on treasury bills rate	8,50	8,35	9,84	10,49	10,52	10,69	11,50	12,68

Source : NBR, Research Department

A. NBR money market rate

The money market rate concerned here is the rate applied for cash mopping up since there were no cash injections during 2003. This rate increased by 1 percentage point to 11.63% from one year to the other. This trend was a result of the situation of overliquidity which persisted in the banking system, pushing the Central Bank to increase its mopping up intervention in order to regulate banks' liquidity as per NBR objective.

B. Deposit and lending rates

Since June 2003, average deposit rate showed a stable trend revolving around 9%. In December 2002, it rose to 9.02%. The average lending rate was also more or less stable, ranging between 16% and 17%.

C. Discount rate

In accordance with Article 1 of Directive No. 02/2002 of 14th June 2002 fixing the discount rate, the latter is indexed to the monthly interbank money market average rate, based on the operations registered on the interbank money market for the previous month, to which is added a number of percentage points determined by the Central Bank, which can increase or decrease depending on the profile which the Central Bank wishes to give to the use by the banks of the pension window and, thereby, discourage or encourage credit expansion indirectly.

Thus, faced with the sharp increase of credit observed since June 2003, NBR decided in August 2003 to fix this rate at 14.5% up from 13.5% which was in force up to the month of July of the same year.

D. Interbank money market rate

On the interbank money market, rates are freely negotiated between the lending and the borrowing parties. They slightly varied during the last two years, increasing from 9.91% in December 2002 to 10.38% in December 2003.

II.4 External Sector

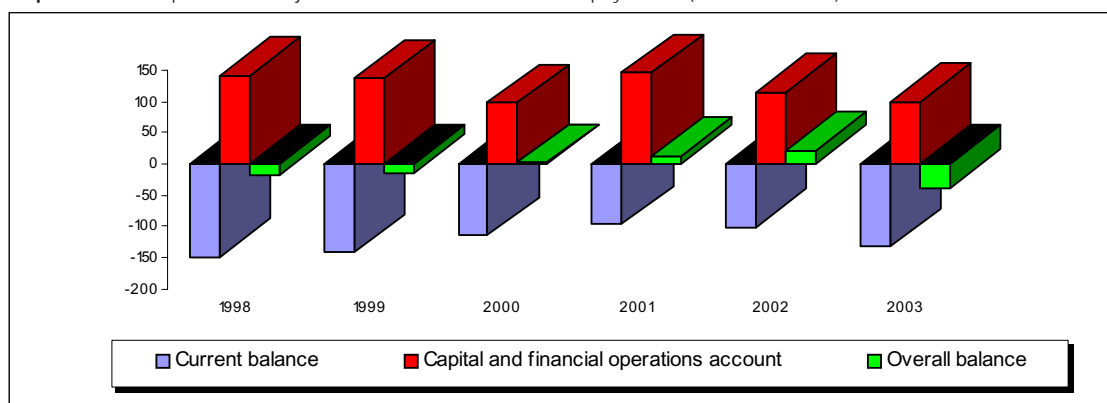
II.4.1 Balance of Payments

1. General situation

In 2003, the overall balance of payments deteriorated significantly and stood at -36.7 million US\$ against a positive balance of 18.1 million the previous year. This deterioration was observed both at the level of the balance of trade and balance of services, worsening further the current deficit, despite an increase of net current transfers by 3.9%.

The capital and financial operations account stood at 99.7 million US\$ only, against 115.7 million the previous year, representing a decrease of 13.8%, which contributed largely to the worsening of the overall deficit in 2003.

Graph 22: Development of major balances of the balance of payments (in millions US\$)



Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

It was possible to finance the overall deficit largely through the reduction of the level of the Bank's official reserves which came down to the equivalent of 5.6 months of imports when in 2002, this level represented 7 months of imports of goods and services, and through exceptional financing consisting of Kuwait Fund debt rescheduling and writing-off of debt service arrears with some bilateral donors.

Table 40: Development of major aggregates of the balance of payments (in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Trade balance	-169.4	-187.9	-157.8	-131.5	-136.8	-154.7
Net services	-149.1	-153.6	-174.8	-157.9	-159.7	-170.1
Balance of goods and services	-318.5	-341.5	-332.7	-289.4	-296.5	-324.8
Net current transfers	168.1	198.7	217.7	192.6	195.3	203.0
Current balance	-150.4	-142.8	-114.9	-96.8	-101.2	-121.8
Capital and financial transactions account	141.0	137.3	98.6	146.7	115.7	99.7
Errors and Omissions	-7.9	-8.5	18.2	-36.7	3.6	-15.1
Overall balance	-17.3	-14.0	1.8	13.3	18.1	-36.7
Available financing (- increase)	17.3	-14.0	-1.8	-13.3	-18.1	36.7
Change in net foreign assets of NBR	3.9	10.1	-9.8	-25.2	-29.6	28.2
Change of arrears	-14.2	-40.5	-8.0	-20.6	1.1	-16.2
Exceptional financing	11.2	42.3	15.1	26.3	5.3	24.7

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

2. Current Transactions

Despite an increase of 4.0% of net current transfers recorded in 2003 compared to 2002, current balance deteriorated further in 2003 to -121.8 million US\$ against -101.2 million in 2002, representing a deterioration of 20.4%, a result of the poor performance of exports and increased import needs of goods and services.

Table 41: Development of current transactions (in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Trade balance	-169.4	-187.9	-157.8	-131.5	-136.8	-154.7
Exports	64.1	62.0	69.0	93.6	67.4	63.1
of which - coffee	28.1	26.5	22.5	19.4	14.6	15.0
- tea	22.9	17.5	24.3	22.7	22.0	22.5
Imports (FOB)	-233.6	-249.9	-226.9	-225.0	-204.1	-217.7
Net services	-149.1	-153.6	-174.8	-157.9	-159.7	-170.1
Non factor services	-140.8	-142.3	-159.5	-135.4	-140.6	-145.0
Factor services	-8.3	-11.4	-15.4	-22.5	-19.1	-25.1
Balance of goods and services	-318.5	-341.5	-332.7	-289.4	-296.5	-336.7
Net current transfers	168.1	198.7	217.7	192.6	195.3	203.0
Private transfers	19.4	18.2	11.0	21.7	24.5	29.4
Official transfers	148.7	180.6	206.7	170.9	170.8	173.6
Current balance	-150.4	-142.8	-114.9	-96.8	-101.2	-121.8

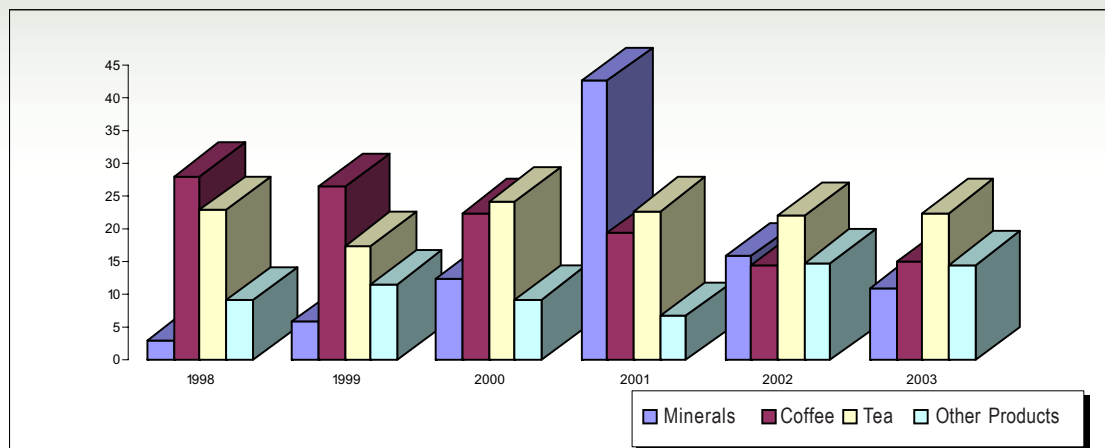
Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

A. Trade balance

Once again, the year 2003 was characterized by a deficit trade balance standing at -154.7 million US\$ against -136.8 in 2002, representing a fall of 13.1%. The major reason for this situation was the drop in exports and increased imports necessary to meet the needs of the country for various economic activities.

A.1. Exports

Since the continuous fall in coffee prices in 1989 followed by that of coltan prices in 2002, the export sector became sluggish and was marked by a continuous decrease of revenues which fell to 63.1 million US\$ from 67.4 million US\$ in 2002, a drop of 15.3%.

Graph 23: Development of major exports (in millions US\$)

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

The expected revitalization of non traditional exports was mitigated as a result of transport problems with transport costs discouraging economic operators, causing a slowdown of the volume of exports, particularly fruits, vegetables and flowers.

On the other hand, exports of hides and skins, tin and pyrethrum registered a relative boom in 2003, offsetting slightly the loss of income incurred on coltan and coffee.

Table 42: Development of the value and volume of major exports (value in millions US\$; volume in tons)

Description	1998	1999	2000	2001	2002	2003
Coffee						
Value	28.10	26.50	22.50	19.36	14.65	15.01
Volume	14997.70	18332.80	16089.10	17788.10	19796.9	14700
Tea						
Value	22.90	17.50	24.30	22.70	22.02	22.52
Volume	15129.00	12709.70	13717.00	15165.80	14574.12	14331
Tin						
Value	0.40	1.20	0.90	1.10	1.41	4.49
Volume	189.00	529.00	365.00	555.00	672.00	1459
Colombo-tantalite (coltan)						
Value	2.50	4.60	11.30	41.10	13.95	6.37
Volume	199.00	330.00	602.80	1549.80	1086.32	732.0
Wolfram						
Value	0.20	0.10	0.30	0.40	0.52	0.23
Volume	122.10	84.00	144.00	161.60	324.69	120.0
Pyrèthrum and quinquina						
Value	0.90	0.30	0.00	1.80	1.06	1.28
Volume	14.00	4.80	0.00	21.60	13.2*	20.0
Hides and skins						
Value	2.03	0.54	0.43	0.78	2.64	3.78
Volume	877	632	479	511	1984	2728
Other products						
Value	7.07	11.27	9.31	6.03	11.04	9.37
TOTAL VALUE	64.14	62.01	69.04	93.27	67.29	63.05

* For pyrethrum only

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department.

Coffee

Though there was a marked improvement compared to 2002, the value of coffee exports by the end of 2003 amounting to 15.01 million US\$, or an increase of 2.5%, was still low compared to 2001 and previous years.

Despite a sharp drop in the volume of coffee exports (-25.75%), the observed rise in the value of exports was mainly linked to the good prices offered for "fully washed" quality coffee (2.45 US\$/Kg), which raised the average price to 1.01 US\$/Kg in 2003 against 0.74 US\$/Kg in 2002.

However, the volume of production of the fully washed good quality coffee is still too low due to the fact that there are still no sufficient modern washing stations. The objective of the Government in the years to come is to inject sufficient financial resources in this sector with a view to significantly increasing production.

Tea

Compared to the previous year, the volume of tea exports in 2003 recorded a slight drop of 1.7% from 14,574 to 14,331 tons. As for the average price, there were some improvements from 1.51 US\$/Kg to

1.57 US\$/Kg in 2003, representing an increase of 3.9%. This price improvement contributed to offsetting the effect of low volumes on sales value which increased by 2.3%, from 22.02 million US\$ in 2002 to 22.52 million US\$ in 2003.

Minerals

Since the fall of the coltan fever in 2001, the mining sector recorded a sharp slowdown of its exports in 2002 and 2003. Apart from tin the demand of which allegedly revitalized the market, exports of the other major mineral, the coltan, continued to fall both in terms of volume and price. This had a negative impact on the value of mineral products exports which fell to 11.09 million US\$ compared to 15.87 in 2002, representing a drop of 17.59%. Exports of coltan earned 13.95 million US\$ in 2002 compared to 6.37 million in 2003, representing a fall of 54.3%, a result of the fall in volume by 32.6% and in price by 32.2%.

The performance recorded in terms of the value of tin exports (more than double in 2003 compared to 2002) could not offset the losses recorded with coltan due to the fact that the volume of tin exports in mining products is still very low.

Hides and skins

Since 2002, the value of hides and skins exports started to gain more importance in the structure of exports, their share amounting to 0.8% in 2001, 3.9% in 2002 and 6.0% in 2003. This trend denotes a more active intensity of the market and an increasingly important demand on the international market as reflected by the evolution of price and volume which stood at 1.39 US\$/Kg and 2,728 tons in 2003 against 1.33 US\$/Kg and 1,984 tons in 2002 respectively, representing an increase of 4.5% and 37.5% from one year to the other.

Pyrethrum

Despite a fall of 20.23% in the average price for 2003, the pyrethrum sector performed well as a result of the big volume of exports which increased from 13.1 tons in 2002 to 20.0 tons in 2003. The value of exports of pyrethrum extracts rose to 1.28 million US\$ in 2003 against 1.05 million in 2002, a rise of 40.2%.

Other exports

The value of other exports, which consist mainly of re-exports to the tune of about 75%, amounted to 9.37 million US\$ in 2003 against 11.14 million in 2002, a fall of 15.9% attributable to the fall in the value of non traditional exports (-13.5%) and electricity (-90.0%), while the value of re-exports registered an increase of 16.8%, from 5.79 million US\$ in 2002 to 6.75 million in 2003. These re-exports consisted mainly of fuel, secondhand clothes and vehicles.

A.2. Importations

Given the considerable needs in capital and intermediate goods as well as in foodstuffs, the CIF value of imports recorded at the two major entry points, namely Kanombe International Airport and Magasins Généraux du Rwanda (MAGERWA) where pass goods entering by land, registered an increase of 4.5% in 2003 and stood at 259.27 million US\$ against 248.03 million in 2002¹.

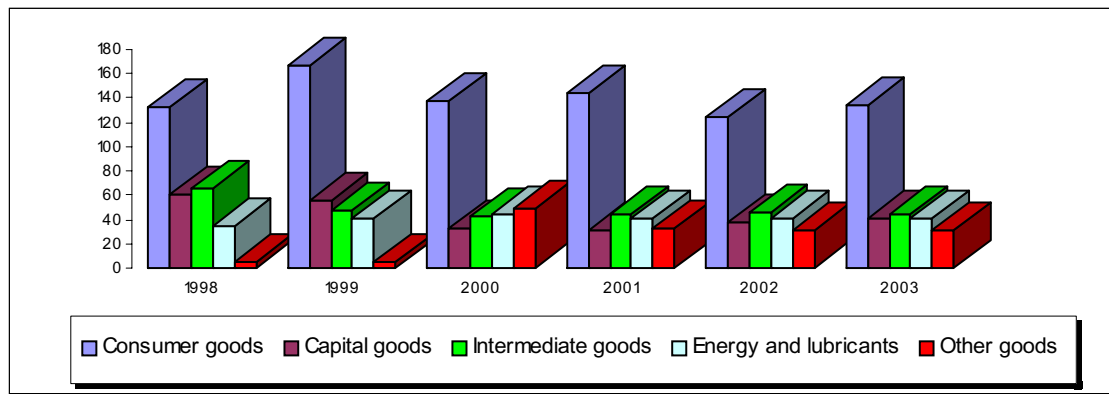
When account is taken of imports passing through secondary entry points and imports of electricity, total CIF value of imports was estimated at 290.25 million US\$ in 2003 against 278.51 million in 2002, representing an increase of 4.2%.

¹ In order to take into consideration imports entering through other border posts, Customs started, by early 2003, to systematically capture customs declarations for 2002 and 2003. However, the exercise is not yet over. For 2001, these data were estimated on the basis of analysis of these declarations. The CIF value of these imports is estimated to represent 8% of imports registered at Kanombe and MAGERWA.

Table 43: Distribution of CIF imports by category of goods in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Consumer goods	132.93	167.15	137.26	143.78	124.41	134.18
Foodstuffs	57.44	34.61	46.59	51.66	25.20	28.33
Other goods	75.49	132.54	90.67	92.12	99.21	99.21
Capital goods	60.17	55.37	33.03	30.61	37.92	40.72
Intermediate goods	65.67	47.95	43.32	43.75	45.30	43.84
Energy and lubricants	34.82	40.92	44.92	41.22	40.40	40.53
Other imports	4.27	5.31	49.14	33.03	30.48	30.98
TOTAL	297.86	316.70	307.68	292.38	278.51	290.25

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

Graph 24: Development of CIF imports by category of goods (in millions US\$)

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

B. Balance of services

With regard to non factor services, the services balance deficit is chronic just as is the trade balance, due to the persistent imbalance between the charges paid to residents for imports and exports related services, but also to the fact that technical assistance services provided by non residents are still significant.

Receipts related to factor services are realized mainly from interests charged by the banking system on their foreign investments. This source of foreign exchange has a tendency of drying up as a result of the significant fall in interest rates on most capital markets, particularly in Europe and United States, while revenue on services payable on public foreign debt and labour incomes collected by non residents remain significant. The value on net imports of services amounted to 170.10 million US\$ in 2003 against 159.7 million in 2002, representing a deterioration of the balance of services deficit of 6.5%.

The balance of non factor services, which is structurally predominant in overall services (+85.2% of the balance of net services), stood at -145.0 million US\$ in 2003 against -140.6 million in 2002, representing a deterioration of 3.1%. This is attributable to increased expenditure in all categories of non factor services, of which charges related to importation of goods, technical assistance and operating expenses of our diplomatic and consular representations abroad constitute the great share (+87.0% of non factor services expenditure).

Table 44: Development of trade in services (in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Net non factor services	-140.80	-142.25	-159.48	-135.4	-140.6	-145.0
Credit	46.92	51.08	40.60	48.2	46.06	62.37
Freight and insurance	5.43	5.78	5.55	5.44	2.22	4.47
Other transport	3.54	9.33	8.62	8.61	10.03	9.89
Travel	18.97	17.00	4.27	9.36	11.80	26.02
Other services and incomes	18.98	18.98	22.16	24.8	22.0	21.99
Debit	-187.72	-193.34	-200.08	-183.7	-186.7	-207.401
Freight and insurance	-45.65	-47.42	-57.36	-47.82	-52.80	-51.48
Other transport	-21.23	-25.02	-24.94	-25.31	-28.88	-39.22
Travel	-16.42	-18.27	-21.91	-23.17	-23.86	-27.24
Other services and incomes	-104.42	-102.62	-95.87	-87.38	-81.17	-89.46
Net factor services	-8.27	-11.37	-15.35	-22.5	-19.1	-25.1
Credit	9.94	7.84	13.87	13.80	8.45	6.55
Revenue from Investment	8.71	7.84	10.84	11.66	8.45	5.99
Labour incomes	0.01	0.00	3.03	2.14	0.00	0.56
Debit	-18.21	-19.21	-29.22	-36.3	-27.5	-31.6
Direct investment revenue	-0.24	-0.77	-3.09	-4.19	-0.36	-2.91
Revenue from other investments	-14.13	-13.74	-13.40	-14.16	-13.30	-16.24
Labour incomes	-2.79	-4.05	-12.16	-17.53	-13.60	-12.47
Others	1.05	0.64	0.57	0.41	0.24	0.24
Services nets	-149.07	-153.63	-174.83	-157.93	-159.69	-170.10

Source: NBR, Foreign Exchange and Balance of Payments Department

The balance of factor services deficit rose to 25.1 million US\$ in 2003, representing a deterioration of 3.1% compared to the previous year and contributing to the worsening of the overall balance of services deficit.

C. Unrequited transfers

Compared to 2002, current transfers registered in 2003 were relatively high, rising to 203.5 million US\$ from 195.3 million US\$, representing an increase of 4.2%.

Net official transfers, which consist mainly of current budgetary support and humanitarian aid, recorded a slight increase of 1.6% attributable to the 13.6% increase of budgetary support in the form of grants which increased from 57.9 million US\$ in 2002 to 65.7 million US\$ in 2003. This support came mainly from United Kingdom, the European Union and Sweden. Though it was of less significance in 2003 than in 2002 (-7.5%), debt service reduction under HIPC Initiative of about 23.6 million US\$ contributed to the increase by 1.9% of net current official transfers between 2002 and 2003.

Table 45: Development of unrequited transfers (in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Private transfers	19.35	18.15	11.03	21.74	24.52	29.37
Credit	34.56	29.70	27.32	38.14	43.55	47.36
Debit	15.21	11.55	16.29	16.40	19.03	17.99
Current official transfers (net)	148.71	180.55	206.71	170.86	170.80	174.09
Credit	150.11	181.80	207.60	172.20	172.71	175.97
1. Current budgetary support	11.11	44.70	102.60	78.20	83.41	89.36
2. Humanitarian assistance	139.00	137.10	105.00	94.00	89.30	86.61
Technical assistance	50.00	50.00	45.00	40.00	38.00	39.00
Other assistance	89.00	87.10	60.00	54.00	51.30	47.61
Debit						
Contribution to international organisations	1.40	1.25	0.89	1.34	1.91	1.88
Current transfers (net)	168.06	198.70	217.74	192.60	195.32	203.46

Source : NBR, Foreign Exchange and Balance of Payments Department

Net private transfers increased by 19.8%, from 24.5 million US\$ in 2002 to 29.4 million US\$ in 2003. This increase was due to grants and other subsidies, which were relatively more substantial in 2003 than in 2002, granted by non residents to Non Governmental Organizations and religious missions established in Rwanda.

As a result of the reduction of humanitarian interventions by one of the major Non Governmental Organizations operating in Rwanda, humanitarian aid support fell by 3.0%, from 89.30 million US\$ in 2002 to 86.61 million US\$ in 2003.

3. Capital and Financial Operations Account

Compared to the two previous years, 2003 was characterized by a reduction of the balance of the capital and financial operations account which amounted to 99.74 million US\$, compared to 115.66 and 146.72 million US\$ in 2002 and 2001 respectively.

This reduction occurred at the level of the financial operations account, particularly transactions by the Government in relation to budget support in the form of loans, of which the actual drawings in 2003 amounted to 10.5 million only granted by the World Bank (IDA) and OPEC, against 50.73 million US\$ in 2002 granted by the World Bank as budget support and support to the demobilization exercise.

The increase of 6.7% compared to 2002 of foreign support for development projects, or 35.4 million US\$ against 33.17 million in 2002, did not offset the reduction registered at the level of balances of long term capital transactions (-63.2%) on one hand, and short term transactions (-9.7%) on the other. The balance of financial transactions amounted to 34.43 million US\$ against 73.96 million US\$ in 2002, representing a drop of 53.4%.

Table 46: Development of capital and financial operations account (in millions USD)

Description	1998	1999	2000	2001	2002	2003
Capital account	67.29	70.70	62.67	68.70	41.70	65.31
Transfers of capital	49.10	70.70	62.67	62.40	41.70	65.31
Financial operations account	73.74	66.62	35.91	78.02	73.96	34.43
Long term capital	65.88	54.56	36.11	61.64	60.50	22.28
Official capital (net)	66.38	56.17	24.23	57.09	57.90	18.81
Private capital (net)	-0.50	-1.61	11.88	4.55	2.60	3.47
Other capital	0.78	10.32	-8.26	12.62	10.85	10.02
Short term capital	0.78	10.32	-8.26	12.62	10.85	10.02
Direct investments	7.08	1.74	8.06	3.76	2.61	2.13
Capital and financial operations account	141.03	137.32	98.58	146.72	115.66	99.74

Source: NBR, Foreign Exchange and Balance of Payments Department

It should be pointed out that debt service for the principal due in 2003 amounted to 27.1 million US\$, representing an increase of 4.2% compared to the service owed the year before, the most important part of which is for multilateral donors (82.0%), particularly the World Bank (IDA), the African Development Bank (AfDB) and BADEA. Debt service owed to bilateral donors (28.0%) concerns mainly the French Development Agency, Japan and China.

4. Overall Balance Deficit Financing

Unlike in the two previous years, the overall external situation worsened significantly in 2003, the overall balance of payments recording -36.7% million US\$ against positive balances of 18.1 and 13.2 million US\$ in 2002 and 2001 respectively, as a result of the deterioration of the current balance and the reduction of the general level of foreign aid.

Table 47: Financing the balance of payments deficit (in millions US\$)

Description	1998	1999	2000	2001	2002	2003
Changes in net foreign assets of NBR	3.9	10.1	-9.8	-25.2	-29.6	28.2
IMF (net credit)	13.8	20.8	14.0	1.5	-6.0	-0.9
1. Purchases	16.2	29.3	25.1	12.1	0.7	0.8
2. Re-purchases	-2.4	-8.5	-11.1	-10.6	-6.7	-1.7
Changes in official reserves (-: increase)	-16.1	-4.7	-16.5	-21.4	-31.6	29.8
Changes in other gross foreign liabilities (+ : increase)	6.2	-6.0	-7.3	-5.3	7.9	-0.7
Change in arrears	-14.2	-40.5	-8.0	-20.6	1.1	-16.2
Increase	13.4	3.4	2.2	5.8	2.1	6.0
Reduction	-27.5	-43.9	-10.3	-26.4	-1.0	-22.2
Exceptional financing	27.5	44.5	16.0	32.6	5.9	24.7
Réscheduling	11.2	42.3	15.1	26.3	5.3	22.2
Arrears	11.2	35.4	7.8	21.9	0.0	20.0
Current services	0.0	6.9	7.3	4.4	5.3	2.2
Debt cancellation / relief	16.3	2.2	0.9	6.3	0.6	2.5
Arrears	16.3	1.1	0.0	4.5	0.6	2.0
Current services	0.0	1.1	0.9	1.8	0.0	0.5
Available financing (-: increase)	17.3	14.0	-1.8	-13.2	-22.6	36.7

Source: BNR, Département de l'Inspection du Change et de la Balance des Paiements

It was possible to finance the known deficit to a large extent by a big withdrawal from the net official reserves of 28.2 million US\$ and an exceptional financing of about 24.7 million US\$ mainly by the Kuwait Fund (20.0 million US\$) and other bilateral donors.

II.4.2 External Debt

Composed mainly of public loans, the country's foreign debt consisted of external loans contracted by the private sector, with or without Government's security, besides IFM debts managed by National Bank of Rwanda. Although it is still moderate and not monitored exhaustively, the debt of the private sector might gain in importance in a quite near future.

1. Foreign Public Debt

For some years, the foreign public debt has been restrictive since it has become a heavy burden compared to the country's economic capacity. The inadequate level of domestic savings, combined with the need to finance development programmes, has brought foreign public debt to levels which are currently unbearable. Moreover, the unfavourable international trade on the markets of major export products and the low levels of domestic resources limited the country's capacity to repay.

The international community's assistance through the Multilateral Debt Fund following the visit to the Paris Club in 1998, and the interim debt relief's obtained since 2001 following the country's eligibility to the decision point of HIPC Initiative enabled it to enjoy greater flexibility in terms of the budget. However, external payments for public debt service continue to cripple the Treasury, denying it of considerable amounts of resources which it needs to finance its poverty reduction programme.

In this context, the postponement to a later date of the completion point of HIPC Initiative earlier planned for end 2003 contributed to the worsening of the already precarious financial situation. Even if it could not resolve directly the problem of foreign debt repayment, the country's eligibility at this stage would certainly have had an important positive impact in terms of liquidity.

A. Foreign Public Debt Characteristics

In general, Rwanda's foreign debt has enjoyed highly concessional terms. Its cost as expressed by the average interest rate weighted by contracted debt is 1.27%, while the average maturity period is 26 years. More than half the debts contracted are charged an interest rate of less than 1% and enjoy a maturity period of more than 40 years, and only 16 loans have an interest rate of more than 5%.

Table 48: Interest rates and average maturity period of foreign debt

Interest bracket	Number of loans	Weighted average interest rate	Average maturity	Source of financing (in %)	
		(in %)	(in years)	Multilateral	Bilateral
[0-1]	126	0,71	41,84	93,0	7,0
[1-3]	43	1,62	27,88	48,8	51,2
[3-5]	19	3,29	19,68	63,2	36,8
[5-9,5]	16	6,01	16,13	12,5	87,5
Total/Average	204	1,27	26,38	74,5	25,5

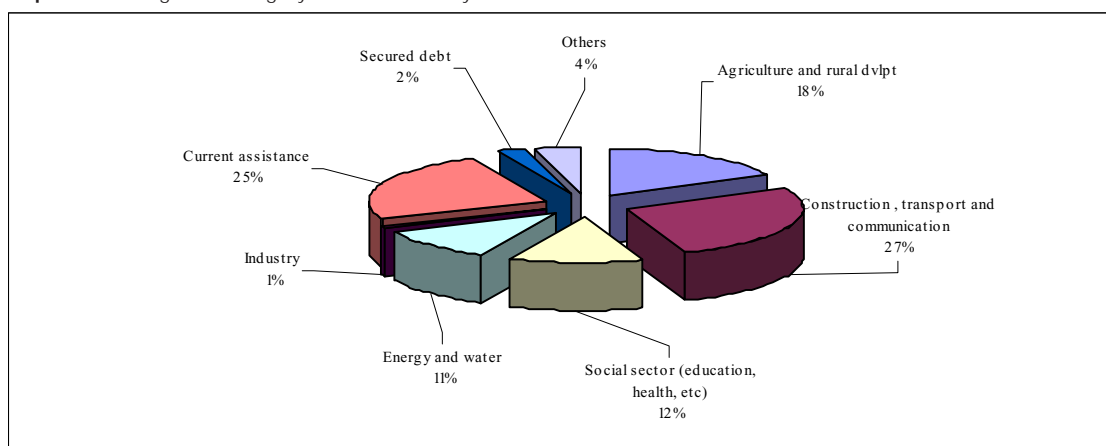
Source: NBR, Foreign Exchange and Balance of Payments Department

The public loans portfolio consists to a large extent of multilateral loans, the number of which represents about 75% against 25% for bilateral loans.

With regard to financed sectors, it should be pointed out that a considerable share of public debt has been directed to consumption. This sector alone has taken 25% of public foreign loans. This situation took on a large scale especially after the war and can be explained by the need to revitalize the economy which had been ruined by the sad events of 1994.

Nonetheless, in spite of this situation, the infrastructure sector, namely construction, transport and communications, ranked first with 27% of total financing, while agriculture and rural development came third with 18%.

Graph 25 : Foreign financing by sector of activity



Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

Despite the importance of the social sector in the development of the country, it appears that in the case of Rwanda, this sector, which consists mainly of education and health, did receive only a relatively low share of financing, amounting to 12% only of foreign public loans.

B. Debt Stock and Debt Outstanding

B.1. Debt stock

The stock of foreign public debt amounted to 1430.2 million US\$ at the end of 2003 against 1307.0 million at the end of 2002, representing an increase of 9.4%. This was the second year when foreign debt registered an increase. Debt stock owed to multilateral and bilateral creditors amounted to 1259.0 and 171.8 million US\$ respectively, representing 88% and 12% of total public debt.

Multilateral debts increased by 8.6% to 1259.0 million US\$ at the end of 2003, while bilateral debts grew by 7.6% in the same period.

The increase of multilateral debt is attributable both to new disbursements made by some multilateral creditors and the depreciation of the US dollar against other debt currencies for Rwanda, mainly the SDR and the Euro, while that of bilateral debt was the result of the depreciation of the dollar against some lending currencies, particularly the Euro and the Yen. There were no new disbursements by bilateral creditors in 2003.

Table 49: Development of foreign public debt stock (in millions US\$)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	820.89	844.39	861.44	972.01	1 013.70	998.44	1 007.89	1 147.58	1 258.97
IDA	513.39	534.6	557.73	641.82	692.59	693.83	713.92	827.14	904.34
AfDB-ADF	202.65	203.07	200.96	219.89	221.36	208.36	200.36	218.32	240.4
BADEA	30.39	31.44	32.47	33.50	33.90	33.28	29.62	26.18	22.86
OPEC	6.89	6.97	7.06	7.15	7.24	7.31	6.81	10.67	16.10
EIB	11.22	11.05	6.04	7.20	3.49	2.94	2.51	2.62	7.90
EU (EEC)	31.75	30.84	31.89	33.42	23.30	21.49	21.64	25.50	26.51
IFAD	24.10	26.25	25.30	29.05	31.82	31.24	33.04	37.16	40.95
BILATERAL DEBT	163.41	165.86	181.57	175.19	168.39	163	143.73	159.38	171.8
CHINA	24.10	26.3	31.24	31.86	31.98	32.15	16.45	21.16	20.19
FRANCE	44.91	43.33	39.25	44.23	37.98	35.17	33.59	40.17	48.63
KUWAIT	18.55	19.67	28.39	29.30	29.31	29.44	29.30	30.46	31.66
SAUDI ARABIA	19.26	20.03	29.30	29.83	29.82	29.82	30.56	30.19	29.91
JAPAN	13.74	12.45	11.29	12.87	15.2	13.55	11.87	13.20	14.84
OTHERS	42.85	44.08	42.10	27.10	24.10	22.87	21.96	24.20	26.57
- of which supplier crédits	25.82	26.79	23.57	12.48	11.20	10.63	10.27	11.51	12.66
GRAND TOTAL	985.39	1010.25	1043.01	1147.2	1182.09	1161.44	1151.62	1306.96	1430.77

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

The structure of the public debt in relation to loan currencies reveals great exposure to exchange risk associated mainly with the SDR. In fact, this currency dominates the public debt portfolio up to 77%. This predominance can be explained by the reduced margin available to Government to contract new loans since it can resort only to a smaller number of creditors, mainly IDA and AfDB whose currencies are the SDR and the Unit of Account respectively, the latter being equivalent to the former. Thus the weight of the SDR continues to increase while the value of other foreign currencies reduces gradually because of repayments and the absence of new loans.

Table 50: Public debt structure by debt currency (value in millions US\$)

Currency	Value In 2001	% of total	Value in 2002	% of total	Value in 2003	% of total
SDR	861.1	74.8	994.1	76.1	1 104.4	77.2
USD	128.8	11.2	128.9	9.9	123.1	8.6
EUR	70.3	6.1	85.8	6.6	103.6	7.2
SR	30.6	2.7	30.2	2.3	29.9	2.1
KD	29.3	2.5	30.5	2.3	31.7	2.2
YUAN	16.5	1.4	21.2	1.6	20.2	1.4
OTHERS	15.3	1.3	16.3	1.2	18.0	1.3
Total	1 151.7	100.0	1 306.9	100.0	1 430.8	100.0

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

B. 2. Debt Outstanding

Debt outstanding differs from debt stock by the amount of interest arrears. These arrears continued to increase with the restructuring of Rwanda's foreign debt carried out successively in the past. They stood at a low level of about 2.7 million US\$ at the end of 2003 and, as a result, the debt outstanding presented the same characteristics as the debt stock, both at the structure level and in its development.

It is however worth pointing out that foreign public debt continues to be a burden on the national economy and constitutes an obstacle to the development of the country. The country's debt-to-GDP ratio and debt-to-exports ratio highlight the problems of solvency of Rwanda's economy. In fact, in 2003, public debt accounted for about 82% of GDP, a ratio largely exceeding the critical threshold fixed at 50%. The debt-to-exports ratio for goods and services was 1140% against 1161% the previous year. This is by far higher than the acceptable level of 250%, and it virtually did not improve despite the relief obtained under the HIPC Initiative during these last years.

The eligibility of the country to the completion point of the HIPC Initiative which would have brought some relief following the cancellation of the debt owed to some bilateral donors was postponed as a result of the temporary suspension of our programme with IMF.

C. Drawings on Loans

Disbursements on loans recorded in 2003 decreased compared to 2002, from 89.3 million US\$ at the end of 2002 to 40.4 million US\$, corresponding to a drop of 55%. Total loans came from multilateral creditors, where IDA provided more than half amounting to 26.4 million US\$. The rest came from AfDB, IFAD and OPEC.

Table 51: Development of drawings on foreign loans (in millions US\$)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Multilateral donors	47	54.9	64.8	85.1	81.5	47.1	71.8	87.9	40.4
- of which : IDA	24.5	41.9	53.0	68.0	69.5	37.8	53.5	73.3	26.4
AfDB-ADF	22.4	9.7	10.8	13.8	9.5	4.0	6.2	6.9	3.1
Bilateral donors		1.2		0.3	0.1	0.2	1.1	1.4	0
Total	47	56.1	64.8	85.4	81.6	47.3	72.9	89.3	40.4

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

The decrease of disbursements was primarily at the level of budgetary support the disbursement of which fell from 50.3 to 11.4 million dollars from one year to the other. Disbursements for project financing recorded the same rhythm and amounted to 28.2 million dollars only in 2003 against 40.8 million the previous year.

Apart from some conditionalities which were not complied with, the fall in external disbursements reflected the slowdown of implementation of the projects financed from external funds due, among others, to the cumbersome bureaucracy and long and complicated procedures used by some creditors, the poor competence of project managers, etc.

Table 52: Development of outstanding public debt service (in millions US\$)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DONORS	18.7	18	19.3	18	21.8	21.3	27.1	26.4	33.0
Principal	10.5	11.6	12.4	10	14.1	13.8	17.9	18.7	22.3
of which: IDA	3.5	4.6	5.2	5.3	5.8	6.3	8.4	10.5	12.2
AfDB-ADF	1.9	1.9	3	2.4	4	3.2	3.3	4.9	4.1
BADEA	2.6	3	2.6	0.1	2	2	3.8	3.3	3.4
Interest	8.1	6.4	7.3	8	7.7	7.5	9.2	7.7	10.8
of which: IDA	4.1	3.4	3.9	4.3	4.9	4.6	5.2	5.2	6.8
AfDB-ADF	2.2	1.7	1.9	1.8	2.2	2.2	2	2.3	2.1
BADEA	1	0.6	1	1	0	0	0.8	0.2	0.7
BILATERAL DONORS	7.8	8	9	5.8	6.6	6.3	4.2	7.7	7.2
Principal	5.4	6	6.1	4.6	4.4	4.2	2.9	5.3	4.8
Interest	2.4	2	2.9	1.2	2.2	2.1	1.4	2.4	2.3
SUPPLIER'S CREDITS	2.7	1.4	1.9	0	0.8	0.6	0.6	0.8	0.6
Principal	1.6	1.3	1.4	0	0	0	0	0.2	0.0
Interest	1.1	0.2	0.6	0	0.8	0.6	0.6	0.6	0.6
TOTAL	29.2	27.4	30.2	23.8	29.2	28.2	32	34.9	40.8
Principal	17.5	18.8	19.5	14.6	18.5	18	20.8	24.2	27.1
Interest	11.6	8.6	10.7	9.2	10.7	10.2	11.2	10.7	13.7

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

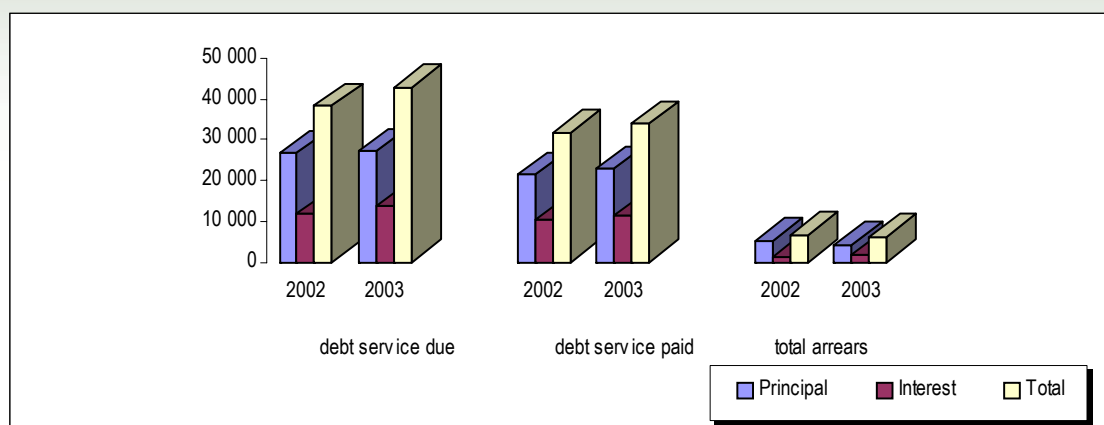
D. Public Debt Service

In 2003, external public debt service amounted to 40.8 million US dollars, 27.1 million dollars of which represented the principal and 13.7 million dollars the interest. Compared to 2002, this represented an increase of 10% since the debt service amounted to 37.1 million dollars, but this increase concerned mainly the debt service owed to IDA.

Debt service owed to multilateral donors increased by 25% compared to the previous year, from 26.4 to 33 million dollars. In the absence of new disbursements and as a result of the restructuring of the debt under the HIPC Initiative, the debt service owed to bilateral donors decreased compared to the previous year. It fell slightly from 7.7 to 7.1 million US dollars, representing a decrease of 7.8% compared to the previous year.

External public debt services paid at the end of 2003 amounted to 34.8 million US\$. The comparison with outstanding debt service for that year shows that the country has accumulated payment arrears of 6.0 million US\$ in 2003, representing a slight improvement compared to 2002 where they amounted to 6.6 million dollars.

Payment of the public debt service in 2003 was done through the assistance of HIPC debt relief up to 23.6 million US\$ and Treasury by 13.1 million US\$, representing 64% and 36% respectively of total debt service paid, and 58% and 32% of outstanding debt service.

Graph 26 : External public debt service due and paid (in thousands US\$)

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

Like in the previous two years, the assistance received from the HIPC Initiative in 2003 represented a capital contribution for the country which enabled it to honour its public debt commitments and offered some flexibility to Treasury, which otherwise would have faced a serious problem of liquidity due to the high level of the debt service.

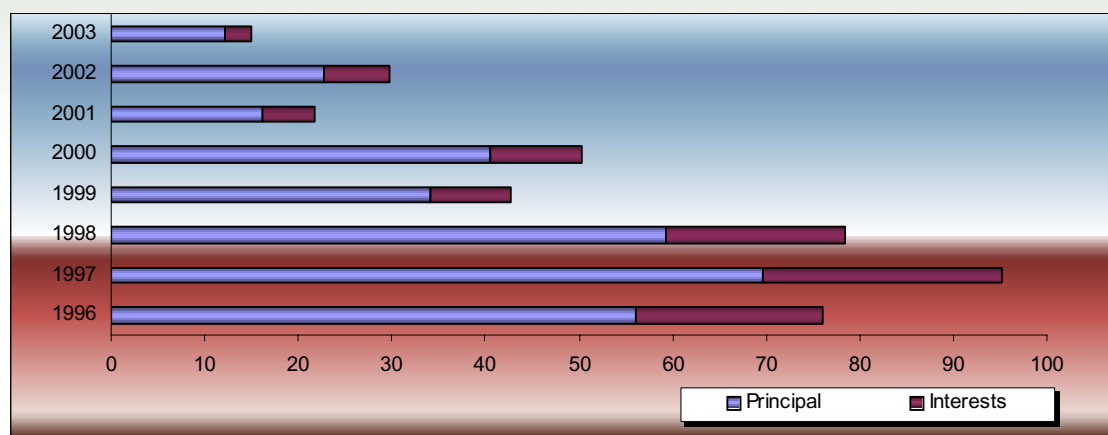
In fact, public debt service represented 19% of budgetary revenues and 32.6% of export earnings from goods and services in 2003. These percentages exceed largely the levels considered viable which must be lower than the thresholds of 12% for domestic revenues and 15% to 20% for exports.

E. Stock of Arrears

In 2003, the arrears on external public debt continued their downward trend started since 1998, following the restructuring of the debt which was reflected by debt rescheduling or cancellation of accumulated arrears.

At the end of 2003, the stock of arrears owed to external creditors reduced by half and stood at 14.8 million US\$, compared to 29.7 million in 2002. This decrease is attributable primarily to the rescheduling of about 20 million US\$ of arrears owed to Kuwait Fund and, to a lesser extent, to the discharge of arrears previously owed to Austria, Holland, United States of America and Canada, following the signing of bilateral agreements for the adjustment of the debt owed to these countries.

The situation of arrears could have improved further were it not for the delay in concluding similar agreements with France and Japan, the only countries of the Paris Club yet to sign the agreement with Rwanda. Among the countries non members of the Paris Club, Abu Dhabi is the only country in respect of which arrears continue to accumulate for the same reason of not concluding an agreement for debt restructuring.

Graph 27 : Development of the stock of arrears on external debt (in millions US\$)

Source : NBR, Foreign Exchange Inspection and Balance of Payments Department

F. Debt Relief

Like in the previous years, the country received debt relief provided for under the interim period of the HIPC Initiative in the form of flows or stock processing. These debt reliefs, which were granted through cancellations or rescheduling, doubled compared to 2002 and amounted to 54.2 million US\$. This increase was the result of the restructuring of the Kuwait debts and debts of some of the already mentioned members of the Paris Club.

The rescheduling carried amounted to 28.8 million US\$, of which 20.2 million for arrears, 2.3 million for debt service and 6.3 million for the not yet due debt. Debt relief amounted to 25.4 million US\$ and concerned mainly current debt service owed to some multilateral creditors.

With cancellations of part of the debt service owed to them, these multilateral creditors contributed 22.9 million US\$, IDA being in the lead with 15.0 million, followed by the AfDB Group with 6.2 million and the European Union with 1.7 million. These grants could have been more significant but for the temporary suspension of the economic programme agreed with the Bretton Woods Institutions, a situation which constituted a cost to the economy estimated at 3 million US\$ due to outstanding debt reliefs.

Table 53 : HIPC debt relief granted by multilateral creditors (in millions US\$)

Description	2001	2002	2003
IDA	12.14	14.00	15.03
IMF	8.59	4.22	0.00
AfDB Group	3.17	6.12	6.20
European Union	-	1.23	1.70
Total	23.90	25.57	22.93

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

With regard to bilateral creditors, the most significant grants came from Kuwait Fund which offered a debt rescheduling of 28.5 million US\$, of which about 20 million were for the stock of arrears. Following bilateral agreements concluded with some creditors members of the Paris Club, namely Austria, Holland, Canada and the United States of America, the country received debt relief from

these countries amounting to about 2.8 million US\$, for both debt rescheduling and debt cancellations put together.

2. Debt Owed to IMF

The debt owed to IMF, which is managed by the National Bank of Rwanda, consists of two unserviced loans obtained respectively in 1998 from Poverty Reduction and Growth Facility (PRGF) amounting to 71.4 million SDR, of which disbursements made amount to 61.9 million and the loan, in the process of disbursement, to 4 million SDR given in support of the current economic programme. These loans, considered by IMF as concessionary despite their short term, were granted within the framework of PRGF at an annual interest rate of 0.5%, repayable over a ten-year period with 5½ years of grace period.

At 84.3 million US\$ at the end of 2003, the debt stock owed to IMF has been changing slightly since 2001. This apparent stability of the debt expressed in US\$ is however in contrast with the reality and is a result of the effect of the exchange rates. In fact, the debt in SDR, which is IMF debt currency, has recorded a fall since 2001, from 67.1 million SDR to 62.4 million in 2002 and 61.8 million at the end of 2003.

During 2003 financial year, disbursements made by IMF under the Facility granted to the country amounted to 0.8 million US\$, bringing total disbursements of this loan to 1.6 million US\$ (1.15 million SDR).

Table 54: Development of the debt owed to IMF (in millions US\$)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Drawings			20.4	15.8	29.3	24.9	12.1	0.7	0.8
Service		2.3	3.5	3.1	9.9	12.5	11.5	7.3	2.2
of which : -Principal		1.3	2.4	2.4	8.5	11.1	10.6	6.7	1.7
-Interests		1.0	1.1	0.7	1.4	1.4	1.0	0.6	0.5
Outstanding	26.3	24.0	40.4	56.3	78.8	85.8	83.9	84.0	84.4

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

Debt service paid to IMF during the year amounted to 2.2 million US\$, of which 1.7 million was the principal and 0.5 million as interest. Compared to 7.3 million US\$ paid in 2002, this represents a fall of 70%. Unlike the previous two years where the principal was covered by the relief under the HIPC Initiative, the entire amount due in 2003 was settled with the resources of NBR.

3. Private External Debt

Private external debt was not high and represented 2% only of the total external debt. It consisted of loans contracted with or without Government guarantee by private sector enterprises.

A. Debt Stock

By the end of 2003, the private debt stock was estimated at 33.8 million US\$, of which 12.3 million for Government guaranteed debt and 21.5 million for unsecured debt, representing 37% and 63% respectively. This debt consisted of short-term loans, i.e. a maximum of one year, and long-term loans of more than one year, amounting to 14.5 million and 19.1 million US\$ respectively, or 43% and 57%.

Among the debtors of this category in 2003, Rwanda Development Bank (BRD) takes the lead with a debt estimated at 14.5 million US\$. While it had registered a downward trend the previous years, BRD debt started going up in 2003 reaching twice its level of the previous year, as a result of considerable disbursements from the loan it received recently from the European Investment Bank. KABUYE SUGAR Co. came second with a debt of 7.9 million US\$, followed by BCDI with about 6.0 million US\$.

Guaranteed debt

Guaranteed debt was composed of eight lines of credit of which six were granted in their past by PTA Bank to BRD and two to GOBOKA Asbl (a non profit making organization) for a total amount of 900 thousand US\$, and BCDI for 5.8 million US\$.

As a result of the guarantees by Government to two new enterprises, namely GOBOKA and BCDI/ PRIME HOLDING, the secured debt stock doubled compared to 2002 to reach 12.3 million US\$ at the end of 2003 against 6.5 million in the previous year. Thus by the end of 2003, BCDI and BRD were the main beneficiaries of the guaranteed debt at 5.8 million and 5.6 million US\$ respectively.

Table 55: Development of outstanding guaranteed private debt (in millions US\$)

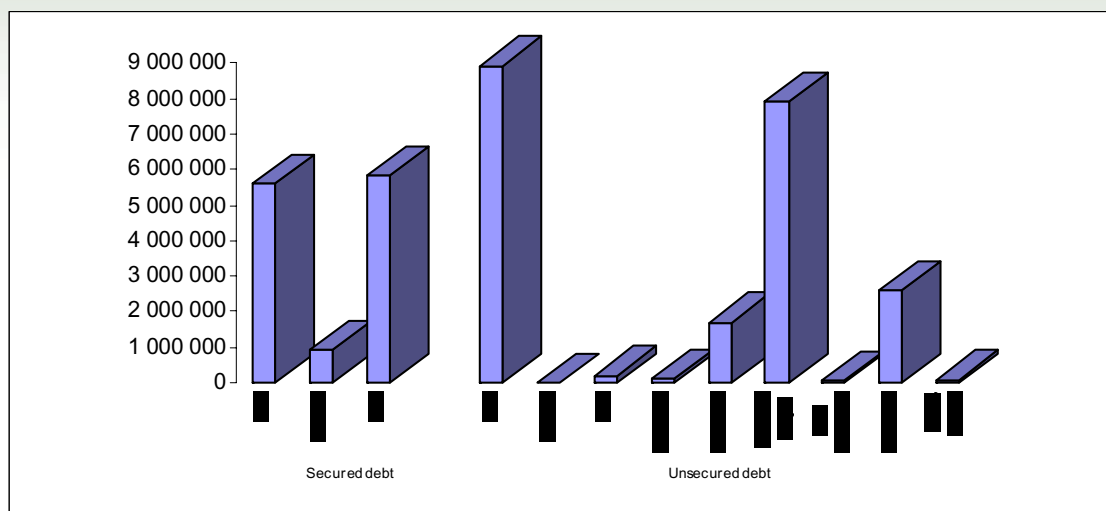
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
EIB 1	0.60	0.60	0.50	0.60	0.50	0.40	0.40	0.50	0.58
EIB 2	3.20	3.10	2.80	2.50	2.10	1.90	1.70	0.20	0.11
EEC/EDF	0.70	0.60	0.60	0.50	0.40	0.40	0.30	0.40	0.47
ADF I	4.80	4.20	3.50	3.20	2.80	2.40	2.00	1.70	1.24
ADF II	4.50	4.00	3.50	4.10	5.20	4.80	4.10	3.80	3.21
AfDB	0.30	0.30	0.30	0.20	0.20	0.10	0.10	0.01	0.00
SHELTER	-	-	-	-	-	-	-	-	0.90
PTA Bank	-	-	-	-	-	-	-	-	5.81
TOTAL	14.10	12.80	11.20	11.10	11.20	10.00	8.60	6.61	12.32

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

Unsecured debt

Unsecured debt consisted mainly of foreign loans contracted directly by private sector enterprises on their own account without any intervention of the Government. These loans included a number of short-term credits meant to finance imports of debtor enterprises.

To date, recorded unsecured foreign loans amount to a total of 21.5 million US\$. KABUYE SUGAR WORKS debt is the greatest with a total of 8.9 million US\$, or 37% of total unsecured debt, followed by SINELAC with a debt estimated at 2.5 million US\$.

Graph 28: Private debt stock structure in 2003 (in US\$)

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

B. Private Debt Disbursements and Service

Disbursements registered under private debt in 2003 were estimated at 13.1 million US\$, of which 6.5 million for guaranteed debt and 6.6 million for unsecured debt. BCDI was the greatest beneficiary with an amount of 8.2 million US\$, including mainly drawings made on the line of credit granted by PTA Bank. BRD received also substantial disbursements in 2003 amounting to 4.1 million US\$ drawn on the credit granted by the European Investment Bank.

The debt service due under private debt was estimated at 5.8 million US\$ in 2003, of which 4.6 million as principal and 1.2 million as interest. It was divided in short term and long term liabilities, amounting to 2.4 and 3.4 million US\$ respectively, or 41% and 59% of the total.

With 2.4 million US\$ outstanding during the financial year under review, BCDI had the highest liabilities, followed by KABUYE SUGAR WORKS and BRD at 1.6 million and 1.4 million US\$ respectively.

Paid debt service was estimated at 3.8 million US\$, of which 3.4 million for paying-off the principal and 0.4 million for interests. Compared to outstanding debt service, this brought to 2.0 million US\$ the arrears accumulated by the private sector in 2003.

II.4.3 Exchange Rates Development

Exchange rates management in 2003 continued to be a prudent management of foreign exchange needs and available resources of the country. But despite this prudence, the rate of depreciation of the Rwandan franc could not be maintained within the desired limits, due to the very low level of export earnings in 2003 (a decline of 6.3% compared to 2002) and to insignificant foreign support compared to the previous year, while foreign exchange needs continued to increase.

Table 56: Development of foreign exchange rates USD/RWF at NBR

Description	Buying rate	Average rate	Selling rate
Annual average 2002	473.0003	475.3899	477.7351
Jan-03	508.6607	511.2168	513.7728
Feb-03	510.0439	512.4781	515.0405
Mar-03	510.8693	513.4365	516.0037
Apr-03	517.2011	519.8001	522.3991
May-03	522.2989	524.9235	527.5481
June-03	529.0943	532.1001	534.4118
July-03	536.6737	539.3706	542.0674
Aug-03	545.2288	547.9686	550.7307
Sept-03	552.025	554.799	557.5729
Oct-03	556.7541	559.5518	562.3496
Nov-03	561.6009	564.4231	567.2452
Dec-03	571.9624	574.8366	577.7108
Annual average 2003	535.2011	537.9087	540.5711

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

This situation reflected the trend of foreign exchange deficit in commercial banks in 2003. Indeed, the available data for the first three quarters of 2003 show that the balance between foreign exchange resources and their expenditure was negative. Even if it is true that this deficit was less than at the same period in 2002 (-29.8 million US\$), it amounted to a total of 27.5 million US\$ at the end of September 2003.

Continued interventions by NBR on foreign exchange market in the form of foreign exchange auctions to commercial banks contributed to the reduction of the imbalance between supply and demand, by injecting 74.9 million US\$ on the market in 2003 against 53.3 million US\$ in 2002, representing a substantial increase of 28.5%.

Thus, based on the most demanded hard currency on the domestic market, i.e. the US\$, the Rwandan franc underwent depreciation again, the annual average exchange rate with the dollar having increased to RWF 537.91 against RWF 475.37 in 2002, representing a depreciation of 11.6% from one year to the other.

Chapter III: Activities Related to the Main Missions of the Bank

III.1 Implementation of the Monetary Policy

III.1.1 Monetary and Exchange Policy Committee

The aim of the monetary policy is to preserve the domestic and external value of the currency and to safeguard macro-economic balances. In implementing and monitoring monetary and exchange policies, the Bank Management set up a committee called "Monetary and Exchange Policy Committee: MEPC". The main functions of this Committee are as follows:

- Carrying out a review of the monetary situation and assess the degree of adaptability of the existing monetary policy instruments to the imperatives of liquidity adjustment;
- Carrying out weekly projections for the following week of the overall level of liquidity and determine the nature and scope of the Bank's interventions on the money market in order to preserve the state of balance;
- Making proposals of concrete remedial monetary policy measures in case of slippage of financial intermediation activity;
- Monitoring the position of the Rwandan franc in relation to the major settlement currencies and propose, as necessary, appropriate remedial measures;
- Carrying out weekly forecasts for the following week of transactions on the foreign exchange market and determine the nature and scope of interventions to carry out in this connection;
- Monitoring the existing exchange regulations and, in the end, propose new adjustment measures.

III.1.2 Monetary Policy Implementation Activities

To avoid moving in the dark, National Bank of Rwanda set for itself at the beginning of the year some objectives of monetary aggregates growth to realize by the end of 2003 in keeping with the macro-economic framework adopted by the Government.

To attain these objectives, National Bank of Rwanda continued to use indirect tools for controlling monetary aggregates, namely reserve requirements, interventions on the money market and leading interest rate of National Bank of Rwanda.

Using these instruments and in accordance with the already set objectives, MEPC decided on interventions on the money and exchange market and adjustments of rules and regulations for possible corrections.

Thus, in order to reduce taxes levied on banks during the constitution of reserve requirements in RWF on exchange deposits, the Bank amended the related instruction by stipulating that reserve requirements be constituted separately for deposits in RWF and deposits in foreign currency, maintaining the rate of reserve requirements at 8%. Concerning the discount rate, it was indexed to the monthly weighted average rate of interbank money market, reflecting better the market conditions.

As for the interventions of the Bank on the money market, it is worth pointing out that in addition to surplus liquidity loans, there was a high frequency of issuing Treasury bills for purposes of monetary policy and on behalf of the Government Treasury.

1. Regulatory Provisions

In order to create an environment characterized by perfect transparency of the bank requirements in a context of the liberalization of financial intermediation, National Bank of Rwanda issued instruction No. 01/2003 dated 6th January 2003 relating to the banking requirements tariffs, by requiring banks

and other financial institutions governed by law 08/99 of 18th June 1999 to publish the schedule of minimum and maximum requirements applied to their clients.

For the purpose of stimulating the secondary market of public securities, National Bank of Rwanda decided in January 2003 to give effect to Treasury bills, replacing proofs of claims which used to be given to subscribers by Treasury bills certificates. The aim of this measure was to facilitate the negotiation mechanism of Treasury bills on the secondary market.

Moreover, in order to attract big public and private enterprises and other potential subscribers to participate in bid competitions, National Bank of Rwanda amended instruction No. 05/98 of 24th September 1998 establishing modalities for the issue and negotiation of Treasury bills by fixing the threshold to RWF 50 million for competitive bids. Moreover, the periodicity of Treasury bill issues was reviewed and became weekly instead of monthly, with a single maturity starting from the first week of August 2003. Note also that the first three weeks were devoted to the issues of 4 weeks while the last week of the month had a maturity of 26 weeks.

2. Development of Bank Liquidity

Bank liquidity is defined as being the immediately available funds. The level of liquidity is considered acceptable when it does not cause imbalance at the level of money base, which is the operational objective sought. Surplus liquidity or overliquidity leads to loss of control of the money base and the ensuing harmful effects. The evolution of liquidity is the consequence of its major factors, namely: net foreign assets, Treasury current account, banknotes and coins in circulation, balance of banks' accounts at NBR and other net items.

In fact, the upward change of net foreign assets has a positive impact on the banks' funds. Concerning the Treasury account, its upward movement due either to inflows of budgetary revenues or to a disbursement of budgetary support has a restrictive effect on the banks' liquidity. Conversely, budgetary expenditure increase the banks' funds. For currency in circulation, or money outside the banking system, its upward change has a restrictive effect on the banks' liquidity. As for "other items net" in which are recorded assets and liabilities not classified elsewhere, its increase has a positive impact on the bank liquidity because it reduces the volume of liabilities. The impact of change of these monetary aggregates on bank liquidity is summarized in Table 55 below.

Table 55: Impact of the change of bank liquidity factors

Factors	Change of period n to period n+1	Impact on bank liquidity
Net foreign assets	+	+
Treasury current account	+	-
Banknotes and coins in circulation	+	-
Balance of banks' accounts at NBR	+	+
Other items net	+	+

Source: NBR, Department of Monetary and Financial Markets

During 2003 financial year, the state of overliquidity observed in 2002 continued to improve. However, this expansion of the banks' liquidity conceals divergent developments according to autonomous factors which make up its major determining elements.

Table 56: Development of bank liquidity factors (in billions RWF and end of period)

Description	2002	2003				Variation
		March	June	Sept.	Dec.	2002-2003
Net foreign assets	+72.6	+71	+70.6	+58.9	+65.5	-7.1
Treasury current account	-4.8	-0.9	-2.4	+ 8.8	+1.5	6.3
Notes and coins in circulation	-30.7	-30.9	-33.9	-35.4	-36.5	-5.8
Balance of banks' accounts at NBR	-10.5	-11	-8.3	-11.6	-10.8	-0.5
of which : réserve requirements	-6.9	-7.4	-7.4	-7.5	-6.6	0.3
Other factors (other items net)	-25	-24.2	-26.4	-26.3	-30.7	-5.7
Total factors	+5.2	+7.6	+0.5	-1.5	-6.6	-12.0
Total support	-5.2	-7.6	-0.5	1.5	6.8	12.0
of which : interventions of NBR on money market	-6.7	-19	-19	-1.1	-4.9	1.7

Source: NBR, Department of Research

In fact, net foreign assets registered a gradual decline and had a restrictive impact on the banks' liquidity, dropping from RWF 72.6 billion in December 2002 to 65.5 billion by the end of December 2003. This reduction is attributable to the big volume of assets sold under the weekly auctions of foreign currency and to the delay in the disbursement of foreign aid and foreign loans.

On the other hand, the debit balance of the account of the Government Treasurer (OTR) at NBR increased to RWF 1.5 billion by the end of December 2003 against a debit balance of 4.8 billion RWF in December 2002. The highest level of Government overdraft was registered at the beginning of October 2003 when the Treasury balance recorded a debit balance of RWF 9.9 billion. This deterioration of the Treasury account was particularly the reason for the expansion of banks' liquidity.

Likewise, banknotes and coins in circulation, which amounted to RWF 30.7 billion by December 2002, rose significantly to RWF 36.5 billion by the end of 2003, representing an upward change of 19%, having thus a restrictive impact on the banks' liquid assets. The "other items net" amounted to RWF -25 billion by end December 2002, and they changed significantly to RWF -30.7 billion by end December 2003, representing an increase of RWF 5.7 billion. This development had the effect of squeezing the banks' liquidity.

Finally, the balance of the banks' accounts at the Central Bank, which amounted to RWF 10.5 billion by December 2002, increased at a moderate rate and stood at 11 billion RWF by December 2003.

The net result of the combined effects brought about by all these factors of liquidity was reflected in increased banks' liquidity which called for regular liquidity draining actions combined with the issue of Treasury bills.

3. Operations on the Money Market

A. Interbank Money Market

During 2003 financial year, liquidity trading on the interbank money market increased to a total amount of RWF 81.5 billion against 40.9 billion the previous year, at the rate of a monthly average of RWF 6.8 billion compared to 3.4 billion. This increase is attributable to the rise of the leading interest rate of NBR and its constant re-organization aimed at consolidating good interbank relationship. The local agreement, a document governing the functioning of the interbank money market signed on 21st March 2003, played a significant role in consolidating the operations of liquidity trading among the banks.

Table 57: Development of money market operations (in millions of RWF)

Description	2002														2003														Change	
Nature of the operation		Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	2003	2002-2003															
Interbank money market	40895	9280	5280	3500	663	1550	8500	7850	8750	11750	12620	9100	2650	81493	+40598															
Negative tendering	70000	3000	13100	15700	15500	22800	19700	14300	8600	3800	7100	5000	4900	133300	+63300															
-ordinary	68500	500	9100	8200	10450	12900	12900	12800	7000	3000	1750	5000	4900	88500	+20000															
-limited	1500	2500	4000	7500	5000	9900	6750	1500	1600	800	5250	0	0	44800	+43300															
Positive tendering	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	-1000															
Refinancing	12500	2300	0	0	0	0	500	2100	1800	4400	500	0	0	11600	-900															
Treasury bills	58956	1661	5873	11814	4314	4384	8796	1245	5033	6597	4985	5500	14448	74650	+15694															
-for financing																														
the Treasury	50538	0,0	5873	8796	4314	4384	8796	1245	5033	5889	4985	5500	14448	69435	+18897															
-for purposes of																														
monetary policy	8418	1661	0	2847	0	0	0	0	0	708	0	0	0	5215	-3203															

Source: NBR, Department of Monetary and Financial Markets

B. NBR Intervention on the Money Market

In order to correct the monetary imbalance caused by the continuous expansion of the banks' liquidity, NBR, besides its ordinary negative bids, carried out limited operations of liquidity draining, combined with issues of Treasury bills.

B.1 Liquidity Bids

During 2003, 66 operations of liquidity draining were registered for a total amount of RWF 133.3 billion, of which RWF 88.5 billion were ordinary loans and 44.8 billion for smoothing operations. It is worth pointing out that in 2002, 42 operations of liquidity loans were registered for a total of RWF 70 billion, representing a monthly average of RWF 5.8 billion against 11.11 billion in 2003. As for positive bids, it can be pointed out that no operation was carried out following the abundance of cash observed throughout 2003.

B.2 Pension Window

During 2003, the Central Bank recorded 12 operations of refinancing, of which 10 were for a single bank. Total pension payments amounted to RWF 11.6 billion against 12.5 billion in 2002, representing a downward change of 7%. The overliquidity situation of the banking system explains the poor use by the banks of the pension window of the Central Bank.

C. Securities Market (Treasury Bills)

During 2003, National Bank of Rwanda was able to mobilize on the Treasury bills market, a total of RWF 74.6 billion compared to 58.9 billion in 2002, representing an increase of 27%. Of this amount, RWF 69.4 billion were in the form of Treasury bills on behalf of the Government Treasury account, and RWF 5.2 billion for monetary policy purposes. This big volume was due to the frequency of Treasury bills issues and the adjustment of the related regulatory base which enabled economic agents other than the banks to take part in competitive bids.

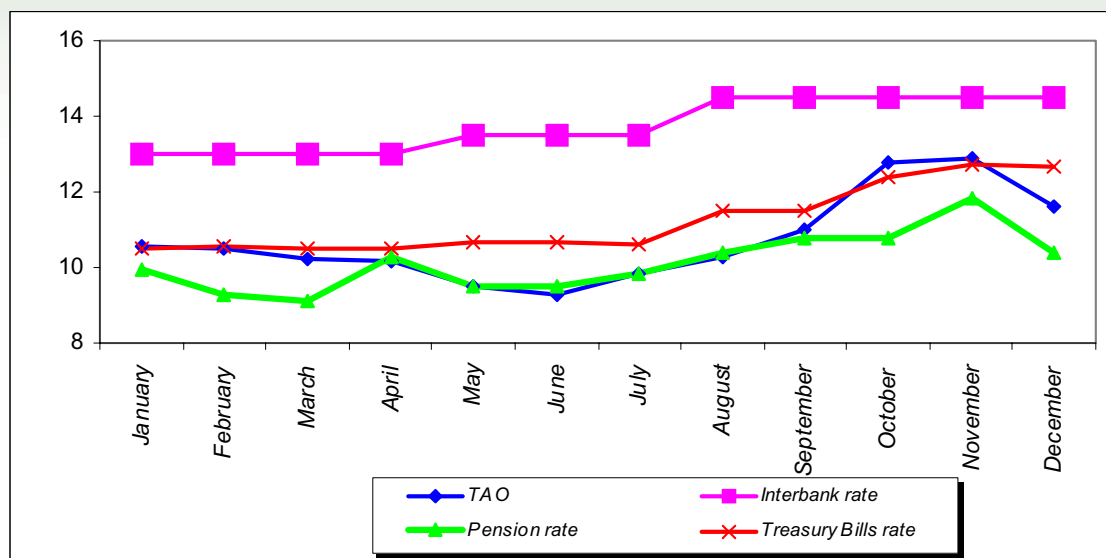
Table 58: Development of issues of Treasury bills in 2003 (subscribers in numbers, amounts in millions of RWF)

	1st quarter		2nd quarter		3rd quarter		4th quarter		Total
	Subscribers	Amount held	Subscribers	Amount held	Subscribers	Amount held	Subscribers	Amount held	Amount held
Banks:									
- Government	3	11 900.0	4	12 762.7	4	6 100.0	3	15 540.8	48 903.5
- Monetary policy	3	2 950.0	-	-	1	500.0	-	-	3 450.0
Non-Banks:									
- Government	3	2 898.0	4	4 600.5	4	5 800.0	11	8 683.2	21 381.7
- Monetary policy	3	1 530.0	-	-	2	150.0	-	-	1 680.0
Individuals :									
- Government	18	43.5	32	130.9	37	266.2	40	708.6	11 492.2
- Monetary policy	5	27.3	-	-	8	58.2	-	-	85.5
Total		19 348.80		17 494.1		12 874.4		24 933.7	74 649.9

Source: NBR, Department of Monetary and Financial Markets

D. Interest Rates Development on the Money Market

Compared to the year 2002, the interest rates applied on the money market continued to rise. Standing at 10.5% in December 2002, the rates applied to negative bids operations increased by one percentage point to 11.63% by end December 2003. This increase of bid rates was due to the big volume of monies borrowed by the Central Bank in order to fulfill the objectives of the 2003 monetary programme on one hand, and the quasi-monopoly of one local bank in terms of the liquidity held, on the other.

Graph 29 : Money market rates development in 2003

Source : NBR, Department of Monetary and Financial Markets

With regard to the rate applied to refinancing applications, NBR introduced restrictive conditions by adjusting upwards the leading interest rate so as to slow down the growth rate of credit to the private sector. This rate rose to 14.5% since September 2003 against 13% in 2002.

Concerning the weighted average rate of the interbank money market, it is worth pointing out that it recorded a serrated development since it stood at 9.91% in December 2002, rose to 11.82% in November 2003 and fell back to 10.38% in December 2003. This rise of the rate applied on the call money operations was due to the high demand of liquidity on this market by those banks experiencing tight liquidity.

The rates applied on the Treasury bills market followed the same upward trend. Standing at 10.49% in December 2002, the weighted average rate on this market continued to rise and reached its highest levels of 12.74% and 12.68% in November and December 2003 respectively, representing an increase of more than two percentage points compared to the previous year.

III.1.3 Management of Special Funds and Lines of Credit

Special funds and lines of credit are managed by NBR on behalf of the Rwandan Government, following the signing of a Management Protocol or a Subsidiary Financing Agreement. Currently, NBR manages three (3) Special Funds and five (5) Lines of Credit.

1. Special Funds

A. Guarantee Fund of the Dairy Cattle Breeding Development Support Project

The aim of the Dairy Cattle Breeding Development Support Project (PADEBL) is to contribute to the improvement of food security and the reduction of poverty by meeting domestic demand of milk and meat and increasing the incomes of the operators. The fund of RWF 300 million was earmarked for Participating Financial Institutions (PFI) to cover financial risks up to 50% through compensation in

case of failure by the investor, i.e. 50% of the principal and interests over a maximum period of three years as a guarantee for each secondary loan granted to operators in the livestock sub-sector.

The Loan Agreement between the Government of Rwanda and the African Development Bank was signed on 16th January 2001. The Management Protocol of the Guarantee Fund between the Government and NBR was signed on 7th February 2003. To date, two projects have been guaranteed to the tune of RWF 5.075 and 7.250 million respectively.

B. Housing Finance Fund

The Housing Finance Fund was established by Act No. 06/01 of 22nd June 1998 to provide best terms finance to households wishing to build their first house of a suitable standing or to rehabilitate their existing house. The management of the fund was entrusted to NBR through the management agreement between the Government and NBR. At the Cabinet meeting of 31st July 2003, Government decided to transfer this fund to Rwanda Mortgage Fund (CHR) and a technical commission was set up to study the practical modalities of this transfer. In 2003, NBR granted refinancing from this fund to the tune of 111 million RWF.

Table 59: Housing Finance Fund (in RWF)

	Construction	Completed	Total
Number of houses	15	1	16
Amount	107 047 240	4 000 000	111 047 240

Source: NBR, Department of Monetary and Financial Markets

C. Special Guarantee Fund

The Special Guarantee Fund is in liquidation since 2002, and a liquidation commission was set up under the chairmanship of the Privatization Secretariat. In 2003, NBR compensated a client of BCR to the tune of 48.2 million RWF. Cases that were guaranteed in terms of the principal by the Special Guarantee Fund as at 31/12/2003 amounted to 56.5 million RWF.

Table 60: Special Guarantee Fund (in RWF)

Bank	Outstanding capital	Interests as at 30/04/2003
UBPR	10 787 848	16 136 849
BCR	26 734 939	-
BACAR	18 971 292	60 749 972
Total	56 494 079	76 886 821

Source: NBR, Department of Monetary and Financial Markets

2. Lines of Credit

A. Rural Investment Facility

According to the Credit Agreement signed between the Government of Rwanda and the International Development Association (IDA) on 25 April 2001, Rwanda received a credit of 37.2 million SDR (first phase) to finance the Rural Sector Support Project (RSSP).

RSSP has several components, including the "Rural Investments Facility -RIF" with a funding of 5.62 million SDR for the first phase, running from 2001 to 2005. RIF is managed by National Bank of Rwanda and is used to finance partially medium and long term credits granted by Participating Financial Institutions (PFI) for rural development projects. The mission of RIF is:

- To contribute to investments of private operators who take the risk of investing in agro-business activities;
- To reduce interest charges on bank loans for such activities.

The project took off officially on 24th October 2001 and as at 31st December 2003, 161 projects had been financed to the tune of RWF 1 186 531 347, of which RWF 767 518 885 were released in 2003.

Table 61: Activities financed under RIF in 2003 (in RWF)

N°	Type of Activity	Financing granted	%
1	Livestock (cattle)	446 804 085	58.21
2	Livestock (small animals)	26 286 600	3.42
3	Cash crops	118 667 640	15.46
4	Food crops	28 840 000	3.76
5	Agricultural produce processing plants	128 344 000	16.72
6	Marketing of agricultural produce	12 000 000	1.56
7	Fisheries	6 576 560	0.86
TOTAL		767 518 885	100

Source: Department of Monetary and Financial Markets

B. Preferential Financing Facility for Long Term Loans to Agricultural Exports and Agro-industries

National Bank of Rwanda established this financing facility on 27th June 2003 for long term investment loans to agricultural and agro-industrial activities - for exports or imports substitution - which contribute to foreign exchange savings.

Resources for this fund come from the repayments of Government's consolidated debt to National Bank of Rwanda. Long and medium term loans to agricultural and agro-industrial projects (including livestock) considered bankable by participating banks and which produce easily measurable net savings of foreign exchange are eligible for financing by this facility. This includes financially viable import substitution activities. However, priority is given to export activities if resources are found to be insufficient to cover potential needs. The amount of participation of the Facility in a project considered eligible is limited to two hundred million RWF in order to expand the beneficiaries' base. However, NBR can disregard this limit depending on available resources and expressed needs.

To date, only one project has been financed to the tune of RWF 77 920 000 on 14th October 2003. A second request for financing was rejected because the project was not eligible. It concerned a financing deviation for a project for the establishment of a unit for beryl processing.

C. Cash Crop Development Project

The aim of the project is to maximize and diversify income for cash crop farmers through the development of commercial processing activities and financially viable trading activities. To this end, the project will concentrate on cash and/or export crops such as coffee and tea. It will be implemented in four provinces: KIBUYE, GIKONGORO, KIGALI-NGALI and KIBUNGO.

The Government entrusted to NBR the management of 2 910 000 SDR, of which 1 200 000 SDR were for long term loans, 660 000 SDR for short term loans and 1 050 000 SDR for overdraft facilities.

NBR undertook to refinance PFIs for eligible projects up to:

- 100% for long term credits;
- 100% for short term credits for small and medium scale enterprises (SME);
- 75% for short term credits for producers of tea and coffee;
- 75% for overdraft facilities.

According to the 2004 business plan adopted by the Board of Directors of the project, the line of credit component will start its activities early 2005.

D. Agricultural and Rural Market Development Project -PDMAR (IDA 3270-RW)

The Line of Credit IDA 3270-RW is one of the components of PDMAR signed on 16th July 1999 between the Government of Rwanda and IDA. This line of credit is meant for improving farmers' access to seasonal credits for purchase of modern agricultural inputs.

With an initial capital of 1 495 000 SDR and under the management of NBR, this line of credit was used to finance short term credits in Rwandan francs granted by PFIs to commercial sub-projects involved in the importation of modern agricultural inputs.

As a result of lack of sufficient use of this facility, the line of credit was reduced from 1 495 000 SDR to 1 330 000 SDR in March 2002 and ended up at 922 045 SDR in June 2003. The latter amount was absorbed at 99.2%. National Bank of Rwanda returned the difference of 6 540.79 US\$ to IDA on 15th December 2003. It will be recalled that the "Line of Credit" component wound up its activities on 30th June 2003 and PDMAR closed on 30th December 2003.

E. Projet d'Appui au Développement du Secteur Privé (IDA 2541-RW)

The line of credit ended in December 2000. Currently, NBR is monitoring repayments by PFIs. The specific objective of the line of credit was to make available refinancing funds so as to enable PFIs to finance new and existing private investment sub-projects. Fourteen sub-projects were financed and half of them have already reimbursed all their commitments.

III.2 Exchange Policy and Operations

III.2.1 Exchange Policy

La Politique de change a été marquée par la révision de la réglementation des changes pour y opérer des réformes visant essentiellement à canaliser dans le circuit officiel la demande de devises adressée au marché parallèle, à lever certaines entraves à l'amélioration de l'environnement des affaires, à expliciter certains passages de la réglementation des changes à caractère ambigu en vue de lever toute éventualité d'équivoque et à substituer le contrôle par sondage au contrôle systématique jadis effectué sur toutes les opérations de change validées par les intermédiaires agréés. Parmi les réformes opérées, il y a lieu de relever:

- Introduction of provisions enabling banks and forex bureaux to finance low cost imports mainly from neighbouring countries and sell to their clients foreign currency to carry out various transactions involving small amounts with minimum formalities ;
- Specification of procedures to follow in international trade ;
- Demarcation between capital transactions which authorized banks can carry out freely and those that require prior authorization of the Central Bank.

In addition, with regard to capital transactions, the new foreign exchange regulations introduced an innovation requiring any foreign investment to be registered with National Bank of Rwanda, which will issue an investment certificate on the basis of which foreign investors may transfer freely incomes from investments and sale of assets in case of disinvestment. This procedure on the other hand makes it possible to constitute a database on foreign direct investment in the country and foreign private debt.

III.2.2 Exchange Operations at NBR

During 2003, the main exchange transactions of NBR consisted of purchasing and selling foreign currencies for its own needs, the needs of Government and of other clients.

Total foreign exchange earnings of the bank amounted to 218.7 million US\$ and its expenditure to 248.5 million US\$, representing a total negative balance of 29.8 million US\$ in 2003, while in 2002, NBR's foreign exchange transactions yielded a positive result of 31.4 million US\$.

The fall in foreign exchange earnings in 2003 was due to the low level of disbursements of budgetary support, representing a decrease of 29.0% compared to 2002. On the other hand, other incomes realized mainly from buying foreign currency from projects financed from external resources were relatively substantial compared to 2002 since they amounted to 90.5 million US\$ in 2003 against 65.3 million, representing an increase of 38.6% over the previous year. Remarkable performance in foreign exchange was registered during the first and fourth quarter of 2003, periods when Rwanda received significant budgetary support, particularly from the European Union and Great Britain.

The most important expenses were incurred in the form of foreign exchange auctions to authorized banks, foreign exchange expenses on behalf of Government and withdrawals on foreign exchange accounts by the banks and other clients.

Table 62: Foreign exchange transactions of NBR in 2003 and 2002

		1st Quart. 03	2nd quart. 03	3rd quart. 03	4th quart. 03	Total
Resources	Budgetary support	25.8	14.2	0.4	36.5	76.9
	Drawings on IMF credits	-	0.8	-	-	0.8
	Interests on foreign exchange investments	1.1	1.1	1.1	1.2	4.4
	Supplies from banks' foreign exchange accounts	10.6	8.7	10.5	16.3	46.1
	Others	18.9	25.7	21.2	24.8	90.5
Total		56.4	50.4	33.1	78.8	218.7
Expenditure	Current expenditure of NBR	1.2	0.5	9.6	5.7	17.0
	Current expenditure of Government	13.3	19.5	13.3	11.9	58.0
	Withdrawals on for. exch. a/cs of other clients	6.9	4.9	6.7	8.3	26.8
	Foreign debt service	3.2	4.3	2.5	3.7	13.7
	Foreign exchange sales to banks	19.0	12.5	18.5	24.9	74.9
	Withdrawals on for. exchange a/cs of banks	11.7	7.9	10.6	14.8	44.9
	Others	4.3	3.2	5.7	-	13.2
Total		59.5	52.8	66.8	69.4	248.5
Balance		- 3.1	- .4	- 33.7	9.4	- 29.8
		1st quart_02	2nd quart_02	3rd quart_02	4th quart_02	Total
Resources	Budgetary support	0.1	21.4	19.7	67.1	108.3
	Drawings on IMF credits	-	-	0.8	-	0.8
	Interests on foreign exchange investments	0.9	1.1	1.3	1.3	4.6
	Supplies from banks' foreign exchange accounts	8.0	7.4	21.9	12.2	49.5
	Others	14.2	16.8	15.6	18.7	65.3
Total		23.3	46.6	59.3	99.3	228.5
Expenditure	Current expenditure of NBR	0.7	0.9	1.1	0.3	3.0
	Current expenditure of Government	12.7	17.1	6.8	12.7	49.3
	Withdrawals on for. exchange a/cs of other clients	8.4	6.3	4.4	3.4	22.5
	Foreign debt service	2.6	1.9	5.1	3.7	13.2
	Foreign exchange sales to banks	13.8	7.7	20.2	16.7	58.3
	Withdrawals on for. exchange a/cs of banks	4.3	6.5	15.5	12.0	38.4
	Others	9.1	-	-	3.4	12.4
Total		51.5	40.3	53.1	52.2	197.0
Balance		28.2	6.4	6.2	47.1	31.4

Source: NBR, Department of International Operations

Auction sales of foreign currency to the banks rose to 74.9 million US\$ in 2003 against 58.3 million in 2002, while current foreign currency expenditure of Government amounted to 58.0 million US\$ in 2003 against 49.5 million in 2002, representing increases of 25.8% and 17.2% respectively. Withdrawals on foreign exchange accounts of NBR by the banks and other clients amounted to 71.7 million US\$, representing an increase of 1.1% over the previous year. Total expenditure in foreign currency for the above mentioned items represented 82.3% of total foreign currency expenditure of the Bank in 2003.

III.3 Management of Foreign Exchange Reserves

For purposes of better management and better returns, foreign exchange reserves consisting of foreign assets of the (official) public sector of Government are entrusted to the Monetary Authority and remain under its control. The aim of this management arrangement is to attain rational utilization of foreign exchange within the framework of monetary and foreign exchange policy so as to strengthen the value of the national currency and the stability of prices. Foreign exchange reserves are meant also to ensure international settlements between residents and non residents, particularly settlement of foreign debt service. They are also used as precautionary balance to meet unforeseen external shocks.

It is worth noting that management of foreign exchange is based on explicit parameters in relation to acceptable liquidity, market and credit risks, and that reasonable profits must be generated from invested funds.

From early 1990s, central banks recorded some progress in the sophisticated management of their foreign exchange reserves. In this connection, they as much as possible adopted an increasingly active approach in their role of managers of foreign exchange reserves.

It is in this perspective that it became necessary for National Bank of Rwanda to review the composition of the Investment Committee in 2003 in order to improve the technical aspect of its operations and strengthen its importance.

Chaired this time by a member of the Bank's management, the Investment Committee is responsible for putting in place an operational framework governing the activities of foreign exchange management, particularly the review of benchmarks, the choice of liquidity and investment strategies, the review of the limits for each consideration and the choice of new considerations, the review of the maximum exposure to each consideration and acceptable minimum rating, the approval of agreements for the conservation of securities and other necessary contracts, the evaluation of investment performance and monitoring of compliance with authorized operations.

The Committee is furthermore responsible for the formulation of technical and operational recommendations in the field of foreign exchange management and investment policy of the Bank.

During 2003, the Investment Committee carried out several activities related to foreign exchange management through its weekly meetings. The following important decisions were taken during the period under review and are binding ipso facto:

- Partial reimbursement of NBR overdraft (7.5 million Euro from 15 million);
- Deposits of about 40 million US\$ with external management;
- Adoption of a new pattern of working documents for meetings to ensure better management of foreign exchange and credit risks and better monitoring of the fundamental criteria of security, liquidity and profitability ;
- Processing of maturing deposits and new term deposits.

III.3.1 Development of NBR's Foreign Exchange Assets

In 2002, foreign exchange reserves management generally experienced an unfavourable international financial environment which extended into 2003. Interest rates fell once again. For example, the base rate on the Euro fell from 3.25% by end 2001 to 2.75% and 2% by end 2002 and 2003 respectively. The Bank nonetheless managed to post satisfactory annual results.

These results were achieved thanks to the relatively high level of foreign exchange reserves (average 225 million US\$) at the Bank's disposal during the year and to the very good performance of arbitrage operations. It is worth pointing out also that the depreciation of RWF by 13.37% against the US\$ in 2003 had an impact of the same scale on the results of the year.

Like in the previous year, membership to Bloomberg Agency contributed to good results on arbitrage. This tool facilitated the monitoring in real time of the development of foreign exchange rates quoted on the international foreign exchange market and the levels of interest rates on deposits, making it thus possible to carry out foreign exchange operations at the appropriate time and making deposits at the most favourable rates. The performance of the main revenue items linked to international transactions is shown in the following table.

Table 63: Financial performance in 2003 (in thousands of RWF)*

Items	Revised budget 2003	Performance 2003	Performance rate
Interests s/call	337,657	376,656.53	111.55%
Interests due on SDR	263,278	240,513.40	91.35%
Interests on term investments	795,760	965,159.66	121.29%
CAAML Investment Income	257,923	314,966.66	122.02%
Interest on CGAM/CILR funds	174,437	140,642.53	80.62%
SWIP/GLF Income	261,417	263,733.07	100.88%
Commission on documentary credits	32,954	48,997.95	148.68%
Profits on foreign exchange arbitrage	1,500,000	1,526,847.11	101.78%
Positive exchange difference	807,000	776,822.36	96.26%
Total	4,430 RWF 426	4.654.339,25	105.05%

Source: Department of International Operations

* Compared to the financial performance of 2002 which amounted to RWF 3,915,603,050, there was an increase of 20%, which is not significant if account is taken of the impact of the exchange rate on the volume of income. In constant terms, performance for 2003 was on the whole the same as for 2002.

Table 64: Development of foreign assets of NBR (in millions US\$)

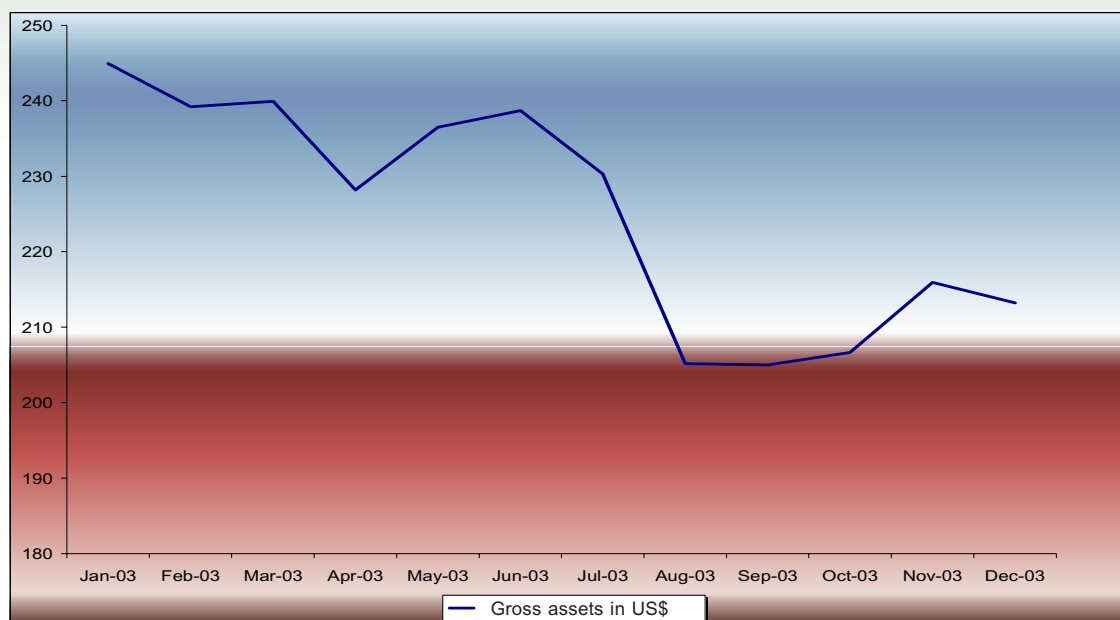
Description	Jan-03	Feb-03	Mar-03	Apr-03	May-03	June-03	July-03	Aug-03	Sept-03	Oct-03	Nov-03	Dec-03	Monthly average
Gross assets	244.97	239.2	239.94	228.19	236.49	238.72	230.3	205.18	205.03	206.6	215.96	213.23	225.32
Liabilities	104.29	104.48	102.89	103.58	107.25	106.57	106.71	95.77	99.11	100.4	100.72	101.28	102.76
Net assets	140.68	134.72	137.05	124.61	129.24	132.15	123.59	109.41	105.92	106.2	115.24	111.95	122.57

Source: Department of International Operations

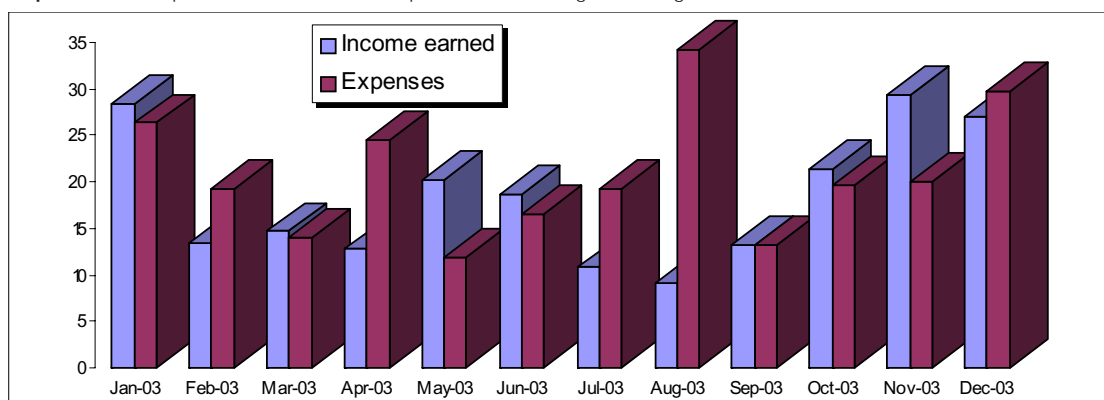
Table 65: Income and Expenditure in foreign exchange in 2003 (in millions US\$)

Description	Jan-03	Feb-03	Mar-03	Apr-03	May-03	June-03	July-03	Aug-03	Sept-03	Oct-03	Nov-03	Dec-03	Total annual
Income	28.31	13.41	14.69	12.73	20.16	18.71	10.81	9.16	13.15	21.33	29.27	26.98	218.71
Expenditure	26.34	19.19	13.95	24.48	11.86	16.48	19.23	34.28	13.3	19.72	19.95	29.71	248.49

Source: Department of International Operations

Graph 30: Development of assets of NBR in 2003 (in millions US\$)

Source: Department of International Operations

Graph 31: Development of income and expenditure in foreign exchange in 2003

Source: Department of International Operations

III.3.2 Interests on Term Deposits

Deposits in 2003 amounted to RWF 965,159,660 compared to RWF 1,389,986,170 in 2002, representing a decrease of 44%, and this situation was mainly due to the continuous fall in interest rates on the international market and the decrease of the volume of term deposits (reason: increase of funds deposited with external management and in call money). Compared to the revised budget estimates for the year, deposits for 2003 recorded nonetheless a positive difference of 21%.

The year was characterized by a very low level of interest rates on the international market, in particular with regard to US\$ which is the main currency of our reserves. Interest rates on US\$ and the Euro reached the historical floor of 1% and 2% respectively, while that of the GBP stood at 3.50% and increased by 25 basis points towards the end of 2003.

1. Interests on Call Money

Interests on call money for 2003 amounted to RWF 376,656,530 against RWF 433,454,389 in 2002, representing a reduction of 13%. Compared to the revised budget estimates for 2002, the figure for 2003 was higher by 11.5%.

The very low level of interest rates on the international market explains this poor performance despite the considerable liquidity kept on the current accounts in 2003.

2. Interests on Resources with External Management

With regard to these funds, the Bank made profits of RWF 719.3 million in 2003 against RWF 274.2 million in 2002. For 2003, these funds represented 3.7% more than the budget estimates under this item, a difference due mainly to the good performance of the funds entrusted to Crown Agents. These funds, estimated at 20.5 million US\$ at the beginning of the year, then to 30 million US\$ on 1st June, recorded an annual rate of return of 2.51%. This level is by far higher than the market bracket of between 1 and 1.15% for similar maturity.

The funds entrusted to Citibank, estimated at 25.4 million US\$ as at 1st January 2003, posted a rate of return of 0.98% only and was suspended in November 2003. The fund managed by Lloyds (SWIP Global Liquidity Fund), which was estimated at 10 million GBP as at 1st January 2003 and then reduced to 5 million as at 1st October, recorded an average annual rate of return of 3.36%, corresponding virtually to the indicative rate of GBP on the international market.

3. Profits from Arbitrage on Foreign Currencies

These funds amounted to RWF 1.52 billion in 2003 against 0.97 billion in 2002, representing an increase of 57%. This performance was a result of the use of the Bloomberg tool and considerable liquid assets kept on the current accounts which facilitated the realization of arbitrage operations.

In accordance with the new operational guidelines for the investment of foreign exchange reserves, the Bank reduced the credit risk of private sector institutions and increased it for sovereign institutions (central banks) and international organizations.

Furthermore, specific indicators based on the cover of external liabilities and external payments needs enabled the Bank to exercise a better control of foreign exchange risks.

III.3.3 New Financial Instruments in NBR's Portfolio

In 2003, the Bank made some progress in the diversification of its portfolio. For the first time since the 1994 war, it made deposits in American Government's Treasury bills (UST-Bills).

It is worth pointing out that some specific projects linked to foreign exchange reserves management were implemented in 2003 while others were started only during the year. The most important of these projects are:

1. **Computerization of foreign exchange transactions:** this project has almost been completed, but there are still some technical problems with regard to the use of the software for some transactions.

2. **Training programme in the management of the portfolio.** CAAML has agreed with NBR to give distant training in the management of the portfolio to the four employees of the Department of International Operations. The course started in July 2003 and is progressing well.
3. **Restructuring of the Department of International Operations.** The aim of this exercise was to correct the weaknesses observed in the former structure, particularly some confusion of functions among different units.

Finally, the technological upgrading of the Department of International Operations with subscription to Reuters planned for 2004 and capacity building in management through training of the employees of this Department may contribute to better management of foreign exchange reserves.

III.4 Currency Issuing Activities

III.4.1 Management of Currency in Circulation

1. Development of Currency Circulation Outside NBR

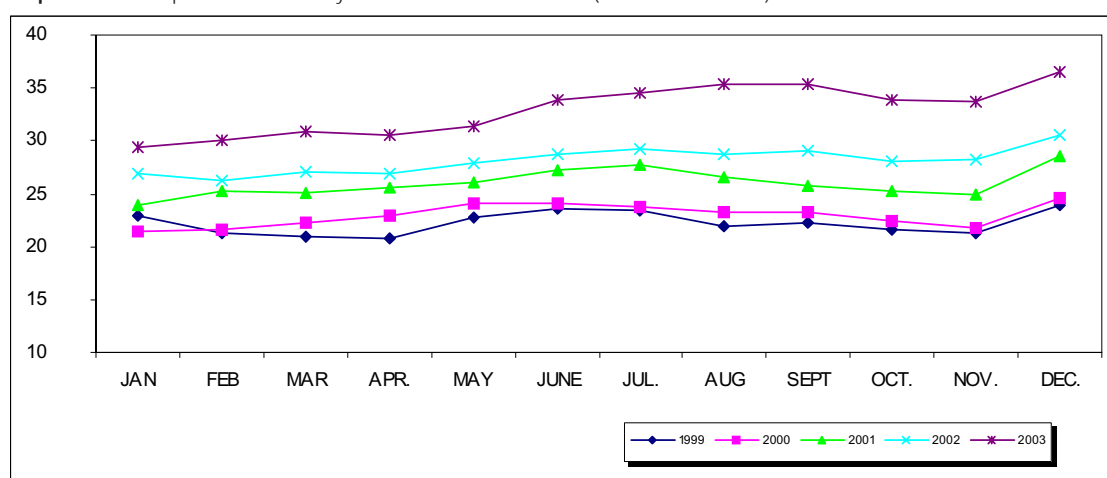
During 2003 financial year, currency in circulation outside NBR recorded high growth between May and September, increasing from RWF 31.41 to 35.41 billion, unlike in other years when the highest change was recorded in the period June-July because of the coffee season. This situation could probably be a result of the combined effects of the coffee season and the electoral campaign.

Table 66: Development of currency in circulation for the last five financial years (in billions of RWF)

Description	Jan.	Feb	March	April	May	June	July	Aug.	Sept.	Oct.	Nov	Dec
1999	22.89	21.19	20.96	20.84	22.81	23.63	23.48	22.01	22.31	21.67	21.30	23.98
2000	21.44	21.61	22.19	22.99	24.12	24.06	23.71	23.25	23.18	22.42	21.69	24.61
2001	23.92	25.25	25.03	25.58	26.14	27.31	27.78	26.51	25.72	25.31	24.99	28.58
2002	26.87	26.31	27.04	26.85	27.86	28.77	29.29	28.69	29.13	28.07	28.25	30.52
2003	29.45	30.02	30.87	30.57	31.41	33.89	34.49	35.35	35.41	33.91	33.73	36.47

Source: NBR, Department of Currency Issue and Banking Operations

Graph 32: Development of currency in circulation 1999-2003 (in billions of RWF)



Source : NBR, Department of Currency Issue and Banking Operations

Another phenomenon to point out is that the year 2003 was significantly different from 2002 if one considers the changes from one year to the other for previous financial years. This situation is closely linked to the development of expenditure incurred on the Treasury account.

2. Supply of Banknotes and Coins

Begun in 2002, the exercise involved withdrawing banknotes and coins bearing the old coat of arms and continued into 2003 financial year. In fact, the new banknotes of 100 RWF and the coins of 1, 5, 10 and 20 RWF which were ordered in 2002 were delivered in 2003.

Table 67: Quantities ordered and delivered

Date of contract	Denomination	Quantity ordered	Quantity delivered	Total cost
15/11/2002	100 RWF	80,000,000 notes	82,800,000 notes	2.451.763 Euros
20/12/2002	1 RWF	1,500,000 coins	1,490,000 coins	
-	5 RWF	10,000,000 coins	1,013,000 coins	
-	10 RWF	10,000,000 coins	10,000,000 coins	
-	20 RWF	10,000,000 coins	10,000,000 coins	422.057,88 USD

Source : NBR, Department of Currency Issue and Banking Operations

It should be pointed out that the new banknote of RWF 100 is in circulation since 17th June 2003 and that the demonetization of the old RWF 100 banknotes (79-89 issue) became effective on 31st January 2004. The new coins of RWF 1, 5, 10 and 20 will be put in circulation as soon as the Presidential decree making them legal tender will be signed.

On the other hand, the 7,000,000 coins of RWF 50 ordered also in December 2002 should be put in circulation at the beginning of March 2004.

Still under the programme of replacing those banknotes currently in circulation, the Bank ordered 7,000,000 notes of RWF 5 000 denomination in 2003. This is a highly protected banknote by modern security features to reduce the risks of forgery. This note should be delivered by April 2004.

Finally, preparations for ordering banknotes of RWF 1,000 and 500 have been finalized and the appropriate contract was signed early January 2004; delivery is expected by August 2004.

3. Issue of New Banknotes and Coins

During 2003 financial year, National Bank of Rwanda issued RWF 15,977.8 million, of which 15,904 million were banknotes and 73.8 million were coins as shown in the table below by nature (banknotes and coins) and by denomination for the last three years.

Table 68: Issue of banknotes (in thousands) between 2001 and 2003

Description	RWF 100	RWF 500	RWF 1000	RWF 5000	TOTAL
2001	886,000	600,000	3,020,000	5,700,000	10,206,000
2002	712,000	1,070,000	4,140,000	5,300,000	11,222,000
2003	2,074,000	1,260,000	5,870,000	6,700,000	15,904,000

Source : NBR, Department of Currency Issue and Banking Operations

Table 69: Issue of coins (in thousands) between 2001 and 2003

Description	RWF 1	RWF 5	RWF 10	RWF 20	RWF 50	TOTAL
2001	70	5,750	9,130	9,030	9,010	32,990
2002	340	5,090	8,410	18,790	33,150	65,780
2003	490	3,240	4,850	24,460	40,760	73,800

Source: NBR, Department of Currency Issue and Banking Operations

From the above two tables, it emerges that issues of banknotes and coins were in general higher in 2003 than in 2002 and 2001, and this contributed to significant increase of currency in circulation during the same period.

The high demand for the RWF 100 note in 2003 was a result of the issue of the new banknote for this denomination effective from 17th June 2003, and the demonetization of the same RWF 100 notes which had been issued before 2003. On the other hand, the low demand for the RWF 5 and 10 coins which was offset by the high demand for the RWF 20 and 50 coins resulted from the shortage of stock for these coins at Central Bank. This situation will be corrected through the issue of new coins expected at the beginning of 2004.

4. Destruction of Banknotes Unfit for Circulation

The destruction of banknotes unfit for circulation (NUC) during 2003 financial year involved a sum of RWF 19.8 billion, or 85% of total cash reserves in banknotes unfit for circulation amounting to RWF 23.3 billion for the period in question. As at 31st December 2002, banknotes unfit for circulation amounted to RWF 14.2 billion.

Table 70: Unfit banknotes broken down by denomination

Denomination	Amount in RWF	NUC cash reserves as at 31/12/2003
5,000	6,900,000,000	1,735,000,000
1,000	7,680,000,000	856,000,000
500	1,155,000,000	233,250,000
100	4,062,000,000	636,100,000
TOTAL	19,797,000,000	3,460,350,000

Source: NBR, Department of Currency Issue and Banking Operations

III.4.2 Control of Counterfeit Banknotes

Concerning forgery of banknotes, denominations of RWF 5,000 and 1,000 (1998 issue) are of course the most targeted by counterfeiters. Nevertheless, during 2003 financial year, there were less forged banknotes than in 2002 amounting to 974, of which 946 were of RWF 5,000 denomination.

Table 71: Number of forged banknotes recorded in 2003 (RWF)

Denomination	5000	1000	500	100	Total
Origin					
NBR (on counters)	16	6	0	0	20
NBR (during counting)	51	180	8	0	219
National police	187	7	0	0	188
TOTAL	254	193	8	0	455

Source: NBR, Department of Currency Issue and Banking Operations

However, the RWF 1,000 banknote was much targeted by counterfeiters with 193 forged banknotes identified in 2003 against 42 only in 2002. It is this situation which, among others, led to the strengthening of security features in the design of the new banknotes currently under printing.

Table 72: Number of counterfeit banknotes recorded in RWF (comparison between the last 2 years)

Denomination	RWF 5000		RWF 1000		RWF 500		RWF 100		Total	
Origin	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
B.N.R (on counters)	6	16	0	6	0	0	1	0	7	22
NBR (during counting)	26	51	5	180	3	8	1	0	36	239
BCDI	25	0	2	0	0	0	0	0	27	0
BCR	2	0	0	0	0	0	0	0	2	0
BACAR	4	0	0	0	0	0	0	0	4	0
BK	0	0	3	0	0	0	0	0	3	0
UBPR	3	0	0	0	0	0	0	0	3	0
National police	916	187	14	7	0	0	0	0	930	194
Prosecution	4	0	18	0	0	0	0	0	22	0
TOTAL	986	254	42	193	3	8	2	0	1033	455

Source: NBR, Department of Currency Issue and Banking Operations

With regard to counterfeit foreign currency banknotes during 2003 financial year, the Bank recorded 184 forged banknotes as shown in the following table 73, compared to those registered in 2002.

Table 73: Registered counterfeit foreign currency banknotes

Denomination	5000		500		100		50		20		5		Total	
Foreign currency	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
USD (banknotes)	-	-	-	-	95	79	16	1	151	-	-	1	262	80
USD (T/C)	-	-	5	-	-	-	-	-	-	-	-	-	5	-
Tanzanian Shilling	-	104	-	-	-	-	-	-	-	-	-	-	-	104
Total	-	104	5	-	95	79	16	1	151	-	-	1	267	184

Source: NBR, Department of Currency Issue and Banking Operations

It can be seen that counterfeit foreign currency banknotes are primarily in US dollars. On the other hand, there were less occurrences of counterfeiting in 2003 compared to 2002.

In order to stop counterfeit banknotes from reaching the bank's counters, the Bank has already ordered appropriate equipment to be installed at the paying counters for detecting them.

III.4.3 Clearing House

Table 74 below gives a summary of the activities of the Clearing House during 2003. It appears that in 2003, the Clearing House processed 134,634 operations relating to presented cheques with the value of RWF 248,984,175,399, and 65,849 operations relating to transfers amounting to RWF 271,557,211,595, or a total of 200,483 operations with the value of RWF 520,541,386,994. On the other hand, the number of operations processed monthly did not vary considerably, being on average 10,174 cheques and 5,487 transfers.

Table 74: Summary of activities of the Clearing House

Banks	Presented cheques		Presented transfers	
	Amount (in RWF)	Number of operations	Amount (in RWF)	Number of operations
NBR	8,408,814,557	9,915	104,972,432,348	23,259
BCR	67,900,431,423	32,229	68,843,571,341	12,511
BK	55,530,903,339	38,430	25,545,272,528	17,979
BACAR	23,210,341,823	12,518	6,841,200,562	3,305
BCDI	59,488,371,520	25,231	35,182,787,099	5,556
BANCOR	18,158,845,444	7,120	11,089,368,748	727
COGEBANQUE	9,737,015,889	7,466	3,016,255,823	1,143
UBPR	6,549,451,404	1,725	16,066,323,146	1,369
TOTAL	248,984,175,399	134,634	271,557,211,595	65,849

Source: NBR, Department of Currency Issue and Banking Operations

It is worth pointing out that the Union of People's Banks (UBPR) started sitting on the Clearing House with effect from 14th February 2003, and this has been beneficial to Government employees and other clients of UBPR. In fact, salaries which used to reach the beneficiaries after a week are now entered on the beneficiaries' accounts within 48 hours starting from the day the payment or transfer order is processed.

Concerning presented cheques, the most important operations were carried out by the three banks (BCR, BK and BCDI) which are involved in the transactions with Rwanda Revenue Authority. As for transfers, the role of NBR becomes important in that it processes transfers in relation to the payment of salaries of Government employees, employees of Government institutions and projects, as well as payment of invoices issued by some private and public companies.

It is worth mentioning that an automation project for clearing operations is under study, and it will facilitate and speed up the exchange of data between NBR and the banks.

III.4.4 Importation of Banknotes and Traveller's Cheques

To facilitate transactions with the rest of the world, the Bank imported banknotes amounting to 6 million US dollars and 200 thousand Euros, and US\$ and Euro traveller's cheques amounting to 1.55 million and 443 thousand respectively.

Besides the importation of banknotes, foreign currency needs were covered by other inflows of foreign exchange, coming particularly from payments to the Road Maintenance Fund, ORTPN and Government accounting. These payments amounted to nearly 2 million US\$, of which 1 million for ORTPN.

Table 75: Comparison of movement of banknotes and traveller's cheques (in US\$ and Euros)

Type of foreign currency	Period	INFLOWS			OUTFLOWS		
		2001	2002	2003	2001	2002	2003
Banknote	USD	6,671,647	8,652,978	7,987,063	7,507,295	8,691,417	7,326,361
	EURO	-	23,150	250,875	-	10,500	119,145
Traveller's cheques	USD	1,850,000	2,519,500	1,550,000	1,328,000	2,417,250	1,634,550
	EURO	-	300,000	443,000	-	164,100	455,250

Source: NBR, Department of Currency Issue and Banking Operations

Even though the demand for banknotes was less in 2003 compared to 2002, it is worth noting that the use of cash remains predominant with some clients of the Bank.

III.5 Banking and Financial System

III.5.1 Banking Supervision

Supervision activities were carried out according to the existing generally used procedures: document-based inspection and on-site inspection. The regulatory and accounting framework was also strengthened through the establishment of a new accounting system for commercial banks and new guidelines.

1. Document-based Inspection

Like in 2002 financial year, document-based inspection continued to be used through the processing and analysis of banks' reports with a view to detecting on time risks which are inherent in some banks' activities:

- Production of quarterly banks' analysis notes concerning the financial structure, the quality of the loans, profitability, solvency and liquidity, as well as prudential mechanisms;
- Production of ad hoc reports on specific subjects such as banking operations;
- Meeting with banks management to discuss the most important risks identified during document-based inspection;
- Standardization of the quarterly analysis notes on the entire banking sector, including some financial institutions ; and
- Preparation of a report on non performing debtors of the banking system.

2. On-site Inspection

Three on-site inspections were carried during 2003; including one general inspection and two others on the credit component. In addition to these three inspections, another one was carried out on postal cheques accounts department of the National Post Office.

The aim of these inspections was to assess the organization and the financial health of the banks as well as loan risks, and the following were the main findings of these inspections:

- Lack of a procedures manual of describing the working modalities of operational units
- Internal controls in some banks were hardly operational ;
- Weaknesses in the information system of accounting operations and management of activities;
- Understatement of credit risk due to failure to fully comply with policies, procedures and sound and prudent practices in the granting of loans, accepting weak guarantees and bad classification of loans; and
- Violation of prudential standards due to inadequate equity capital. For the most part, this related to solvency, risks incurred on the leadership, board members and shareholders as well as related groups, risks incurred on debtors in general....

In order to remedy the identified weaknesses, NBR made recommendations to the banks, including the following, among others:

- Ensuring that loans applications are analyzed and reviewed adequately in conformity with its credit granting policy;
- Establishing a fair and reasonable assessment method of the repayment capacity of the borrowers;
- Requiring more acceptable guarantees in terms of regulations, strengthening the assessment of mortgage securities through the establishment of an information system;
- Complying with the preparation process of assets classification which must be reviewed so as to ensure that the information is complete and accurate ;
- Taking into consideration all the liabilities during their classification, including commitments by signature;

- Submitting to NBR a realistic strategic plan and an action plan for increasing equity capital with the aim of reverting to the position of solvency in keeping with the prudential standards and compliance with all other standards.

3. Strengthening the Regulations

In terms of regulations, activities relating to bank supervision were characterized by the following:

- Finalization of the new accounting system for commercial banks and reporting models to become effective from January 2004 ;
- Review and publication of directives No. 07/2003 of National Bank of Rwanda concerning the solvency of banks and other financial institutions, No. 08/2003 of National Bank of Rwanda relating to the standards of risk classification and risk cover applicable to banks and other financial institutions, No. 09/2003 of National Bank of Rwanda concerning the management of loan commitments of banks and other financial institutions; and
- Publication of directive No. 10/2003 on the regulation of discount house activities and the modalities of exercising these activities.

III.5.2 Banks Restructuring

Like in 2002, three banks continued to be under the recovery plan scheme during 2003. These plans involved in particular:

- Adequacy of their equity capital to the prudential rules published by the Central Bank;
- Compliance with the ratios of risk diversification and monitoring of credit growth ;
- Implementation of an operating costs rationalization policy ;
- Strengthening efficiency in the management of funds ;
- Reduction of non-performing loans and setting-up a recovery plan ; and
- Development of a corporate governance policy, adoption of a training plan and strengthening efficiency in internal control system.

In 2003, the implementation of these plans started to bear fruits: the supervision of two banks in 2002, one under a temporary administrator and the other under a temporary controller appointed by NBR, ended, as was the reinforced supervision of the third bank. In two of the banks, comparative results carried out quarter by quarter showed improvement from a negative position in 2002 to a positive one in 2003, due particularly to credit growth control, the rationalization of operating expenses and efforts to recover non-performing loans.

Table 76: Structure of the banking and financial sector

	31/12/2003		31/12/2002	
	Institutions	Branches	Institutions	Branches
- Commercial banks	6	29	6	29
- Development banks	1	-	1	-
- Union (association) of financial institutions	1	148	1	148
- Housing financial institutions	1	-	1	-

Source: NBR, Department of Banking Supervision

Under the policy of privatization, the Government, being one of the main shareholders in one of the commercial banks in difficulties, decided to sell its share to a private investor. The sale process will be completed in 2004.

III.5.3 Rehabilitation of the Banks' Loan Portfolio

In the rehabilitation exercise of the banks loan portfolio starting from 2002, an Interbank Commission was set up, and this commission produced a report which was discussed by Cabinet. At the end of these discussions, an Ad Hoc Commission was set up composed of MINECOFIN, MINIJUST, MINITERE, the Commission for Judicial Reform, NBR, Rwandan Banks Association and Kigali City Council. This Commission was tasked with finding a solution to the problem of the registration of mortgages, judicial delays and report to Cabinet.

Table 77: Development of the main indicators of the banking and financial sector

	30/09/03 ¹	31/12/02	Variation
2. Deposits (in thousands of RWF)	131 652 835	122 677 048	7,3%
3. Loans (in thousands of RWF)	99 711 170	85 942 641	16%
4. Quality of loans portfolio (bal. sheet+ off-bal. sheet)			
Total loans of which:	122 856 710	111 606 049	10%
Off-balance sheet	19 750 344	17 804 278	13%
Non-performing loans (NPL) of which:	39 742 869	38 517 236	3,2%
Off-balance sheet	1 068 679	1 015 951	13,5%
Mobilised funds	21 479 086	22 722 681	5,5%
Cover rate of NPL	54%	59%	-5%
4. Equity capital (in thousands of RWF)	6 720 619	3 909 054	71,90%
5. Result (in thousands of RWF)	-10 140 468	-11 528 529	12%

Source: NBR, Department of Banking Supervision

Since the establishment of the Interministerial Commission, Central Bank has already taken concrete action:

1. At the prudential level, Central Bank revised three relating directives ;
2. Concerning the exchange of information for better loan management, Central Bank sends to all the banks and financial institutions at the end of every quarter, the list of loans of RWF 500,000 and above classified as 3,4 and 5 ;
3. To exert pressure on bad debtors, Central Bank asked the banks through the Rwandan Banks Association to write to individual debtors with more than 90 days of outstanding debt so as to negotiate with them a satisfactory repayment schedule. Failure to comply with this requirement, banks and other financial institutions were asked to ban such debtors from receiving any credit, advance, overdraft, credit facility or credit line with or without guarantee; not to grant them commitments by signature, not to allow them to open a bank account and to carry out foreign exchange operations of any kind.

III.5.4 Payments System

Through the already launched process of modernizing the system of payments, the Bank made some achievements in 2003 financial year.

During the year, a study was carried out to evaluate the payments system. The study, carried out by the firm Horizon System, revealed that the payments system in Rwanda was characterized by a strong

¹ Data as at 31/12/2003 from banks and financial institutions not yet available

² According to data provided in monthly accounts statements.

³ Commitments provided through assets classification done by the banks

predominance of cash operations (80% of operations) and a relatively considerable volume of paper currency (about RWF 30 billion, against RWF 85 billion in deposits and term accounts).

This observation means generally that the payments system has not yet assimilated the current opportunities offered by information technology and telecommunications, both in the bank-enterprise relationship and in the behaviour of clients. In order to mitigate this loophole, the Interbank Company for Electronic Funds Transfer and Compensation (SIMTEL) which was established in 2002, drew up its operational programme in 2003 and accelerated preparatory activities so as to be able to launch payments operations by bankcards in 2004.

In the meantime, the same study made recommendations to Rwandan banks, exhorting them to use the already existing and poorly used techniques which could facilitate payments without having to resort to cash. Such is the case particularly with domiciliation which some big companies could use to redeem their invoices. Proposals were also made aiming at the development of a computerized netting system (simplified clearing) for low amounts operations (cheques and transfers), the introduction of credit cards, both their acceptance and their issue, and consideration of the possibility of establishing a joint company for the transport of securities.

During 2003 financial year, the Bank was also able to establish a database on the payments system through the collection of data on payments in the banks.

III.5.5 Micro-finance unit

The activities of the section responsible for the supervision of Savings and Credit Cooperatives (COOPEC) and micro-finance institutions (MFI) in the Department of Banking Supervision were launched in 2003. These activities consisted mainly of the following:

1. Establishment of a specific regulatory framework of COOPEC : finalization of directive No. 05/2003 on Savings and Credit Cooperatives;
2. Approval of COOPEC and MFI : only one institution was approved in 2003, but several applications were under consideration ;
3. The establishment of a monitoring framework for document-based inspection and on-site inspection.

1. Document-based Inspection

This inspection involved financial structure, quality of credit, profitability, risk management and management of a micro-finance institution. Since the same institution was implementing a 2001-2004 action plan, the Bank monitored the status of implementation and recommended to this institution to show the returns of its new products, monitor funds allocated to the refinancing of local banks, submit a progress report on the preparation of a recovery plan of banks finding themselves in a more critical financial situation.

2. On-site inspection

Field missions were carried out in two COOPEC that had not yet been approved to see how these institutions were organized and their progress in the preparation of applications for approval.

Chapter IV: Organization and Management of the Bank

IV.1 Statutory Organs of the Bank

IV.1.1 Board of Directors

During the year under review, there was a change in the composition of the Board of Directors: at its meeting of 12/11/2003, Cabinet appointed Mr. GATETE Claver board member, replacing Mr. MUSAFIRI Prosper. The Board held four ordinary meetings and one extraordinary meeting during which important decisions were taken, including the following:

1° 28th March :

- Adoption of the financial statements of National Bank of Rwanda for financial year 2002 and allocation of earnings
- Annual report of NBR for 2002;
- SIMTEL: Business Plan and Financing Plan.

2° 26th June:

- Directive on Savings and Credit Cooperatives ;
- Classification of jobs and reform of the salary scale for National Bank of Rwanda;
- Operational mechanism of the Agricultural Exports Diversification Support Fund.

3° 26th September :

- Consideration of the revised 2003 budget;
- Consideration of the document establishing Directives to follow in the management of foreign exchange reserves.

4° 9th October :

- Classification of jobs and salary scale.

5° 18th December:

- Bank's budget for 2004 financial year;
- Review of the staff rules of NBR;
- Review of some directives on Banking Supervision prudential framework;
- Review of the directive on solvency ratio for banks and other financial institutions;
- Review of the directive on the standards for risk diversification and cover;
- Review of the directive on the classification of assets and monitoring of commitments of banks and other financial institutions;
- Directive on the activities of the Discount House;
- Project for the creation of regional branches of NBR;
- Audit report of financial statements for 2001 and 2002;
- Report of the Audit Committee.

IV.1.2 Audit Committee

The Audit Committee started its activities after the appointment of its members on 3/08/2001 and 16/05/2003. Mrs. MUKAKALISA Therese and Messrs TWAHIRWA Manasse and MPATSWE Gaston were appointed members of the Council. The first report of the Audit Committee was considered by the Board of Directors at its meeting of 18 December 2003.

IV.2 Human Resource Management

IV.2.1 Administrative Reforms

1. Classification of Jobs and Salary Scale

Within the framework of the administrative reforms introduced with the restructuring of the Bank in 2002, the Bank modified its method of human resource management by adopting the method of management by jobs. The Bank drew up an organizational structure defining entities, jobs, posts, their duties and requirements.

It also carried out job evaluation by determining specific criteria of job evaluation and classified them.

Table 78: Selected criteria and their weightings in job classification

CRITERIA	Weighting
Required knowledge and expertise	40
Responsibilities	25
Complexity (creativity, judgment and reasoning)	20
Autonomy	10
Communication	5
TOTAL	100

Source: NBR, Department of Human Resources

Job classification produced 15 grades distributed in 4 categories of employment: management, supervision, collaboration and implementation.

In the existing salary scale, diplomas and seniority earned more than the required expertise for a given job.

In this way, different salaries were paid depending on whether the employee had been with NBR for many years or whether he had acquired experience elsewhere which NBR considered relevant. Within the framework of the Arusha Accords, the Bank recognizes also and pays for years of experience of Rwandans having lived abroad and who were recruited since July 1994. This arrangement was applied until 1 August 1997.

From that date, the Bank adopted staff rules under which salaries were reviewed and fixed at a relatively high level but without taking into consideration years of experience served elsewhere.

This multiple-speed salary scale produced distortions in staff salaries. Thus salaries for two employees occupying the same post could vary up to two-fold. For example, a Director could earn less than many employees under his supervision.

All in all, it was observed that employees of the low category (gardeners, cleaners, drivers) and intermediate officers (secretaries, accountants, nurses, technicians) were paid better compared to their colleagues in the banking sector or public enterprises, while senior staff were less well paid.

In addition, because of lack of competitiveness compared to the salaries of other public companies or institutions operating in the same or comparable sector as NBR, the existing salary scale did not give enough latitude for the recruitment of the required skills on the labour market, for example computer specialists, auditors, etc.

On the other hand, the reform of the salary scale that was introduced took into consideration the following three important aspects:

- 1) All subsidies and allowances formerly paid for housing, transport and possibly fines imposed on an employee were incorporated in a single salary per job.
- 2) The recruitment policy has been made easy because every job that is open for recruitment will have an identified salary taking into consideration the job profile expected by the Bank.
- 3) With the new salary scale, it will be possible to retain on one hand, qualified technical staff in the Bank's institutions in whom it has invested much through training and, on the other, attract the required expertise which used not to respond to employment offers because the old salary scale was not competitive.

During the 4th quarter of 2003, staff members were appointed to specific jobs.

Likewise, the Board of Directors reviewed the Staff Rules of the Bank during its ordinary meeting held on 18th December 2003.

A. Movements of Personnel and Training

The work force of the Bank was virtually stable, with only one change. The employees numbered 447 in 2002 and 448 in 2003. Seven new employees were recruited, including 3 computer specialists and 4 enforcement officers, while 6 left the employment of the Bank (resignation, desertion of the post, dismissals, etc.).

Table 79: Local training or training by correspondence: 87 beneficiaries

Training	No. of beneficiaries
Training in telephone exchange HICOM	2
Workshop on monetary operations	11
Bank Technical Institute	11
Banking Diploma	1
MBA + Doctorate in Management	1
MBA / RIAM	1
Master's degree in Science & Techn., Project manager specialist, information techn. developer	1
Training in " New Secretarial Techniques "	3
Training in caring for persons living with HIV at NBR	4
Interregional seminar for debt managers	2
Training in internal audit for banks and insurance companies	5
Lotus Domino (in collaboration with BRALIRWA)	5
Development of the procedures manual	40
Training in office automation and internet/intranet	105
TOTAL	192

Source: NBR, Department of Human Resources

During 2003 financial year, the Bank trained its staff in various fields considered relevant for it to fulfill better its mission. The budget allocated for training from one year to the other remained the same, amounting to RWF 120 million.

Table 80: Training abroad : 51 beneficiaries

Training	Number of beneficiaries
International Monetary Fund	6
Multilateral Institute of Africa	6
World Bank	2
Foreign central banks	11
Visits and training courses at the South African Bank Reserve training centre	5
Other trainings	21
TOTAL	51

Source: NBR, Department of Human Resources

IV.2.2 Social Policy

1. Loan Policy

The Bank maintained its incentive policy for the staff by granting them loans for transport and housing or for settling isolated social problems.

In this regard, the Bank provided the staff with advances, loans for purchase of vehicles and purchase or construction of houses amounting to RWF 296,640,026, RWF 13,419,918 and RWF 150,705,662 respectively.

2. Medical Care

During 2002 financial year, the Bank continued to take care for the well-being of its employees and their dependents. They received the usual medical care, and the policy of treating HIV/AIDS patients with anti-retroviral drugs continued. Some employees and their dependents were sent abroad for specialized treatment.

During 2003, besides the daily operational activities of existing computer applications and assistance to other departments of the Bank, the Department of Organization and Information Systems took an active part in several projects, including:

- Job classification
- Development of the procedures manual
- Upgrading the computer network
- Training, equipment management and applications maintenance
- Development of new applications " Foreign exchange operations" and " Payments programming" .

IV.3 Organization and Information Systems

IV. 3.1 Organization

1. Job Classification

National Bank of Rwanda, with the assistance of the project "Capacity Building and Public Service Reforms", carried out the analysis and evaluation of employment posts. This exercise led to the classification of its jobs and a new salary schedule.

These reforms aimed at taking into account the constraints and responsibilities of the personnel and pay them fairly with a view to increasing the efficacy and efficiency of the administrative units and the staff that run them.

The involvement of the Organization and Systems Information Department was predominant from the design to the implementation stage. An in-house application facilitated a great deal the simulation of several scenarios of salary schedules, based on the points allocated to each job.

2. Development of the Procedures Manual

National Bank of Rwanda is undergoing changes and its activities are growing. Its short term objective as defined by the Bank's management is to become a modern Central Bank, capable of fulfilling its various missions using the resources at its disposal. In order to meet this challenge, the Bank started the project of developing the procedures manual. Once finalized, this document will form the basis of efficiency in the execution of its activities. Some of the work carried out in 2003 was as follows:

- Training of about fifty employees in the techniques of procedure development;
- Establishment of a Steering Committee;
- Formation of teams responsible for drafting procedures;
- Identification of the Bank's procedures to develop;
- Development of 30 procedures by the working groups;
- Validation of 12 procedures by the Steering Committee and forwarding them to Management for approval.

The exercise of developing procedures which started in July 2003 will continue in 2004.

IV.3.2 Information and Communication Systems

1. Mise à Niveau du Réseau Informatique

The increased diversity in the use of information technology (sound, image, data) and the generalization of this communication channel at all the levels of the Bank call for a very solid network structure. It is for this reason that the project of upgrading the network was more than necessary. This involved replacing repeaters (hubs), which are more appropriate for small structures, with switches and putting in place computer security equipment called Firewall.

Putting in place such equipment enabled the Bank to improve in terms of security the quality and speed of data exchange in-house and on internet. This network will be used also as a support platform for the "General Security of the Bank" and "Interbank Data Exchange" projects.

Optimization of this network and the eradication of viruses and intrusions as well as protection against the latter is a constant exercise.

2. Training, Equipment Management and Applications Maintenance

A. Training

Among the priorities of the Office Automation section of the Organization and Information Systems Department is the training of the Bank's employees in information technology. At the moment, it trains employees and desk officers in modules such as WINDOWS, EXCEL, WORD, POWERPOINT, LOTUS NOTES and INTERNET. This section is responsible also for the management of the entire office automation environment and back-up.

B. Equipment Management

The next purchase of office automation management tools and computers will improve this exercise and, more particularly, assistance to the users and software upgrading.

C. Applications Maintenance

Applications maintenance is carried out within the framework of information technology projects. There are several projects grouped by banking fields and their Heads are raised to the level of project managers.

- Database Administration Project

The "Database Administration Project" concerns all the departments and is the heart and brain of the Bank's information system.

The main and daily activity consists of ensuring total availability and security of databases.

- Computer Equipment Maintenance Project

This project assists all the departments. It is involved in the activities of the communications equipment maintenance section (operations of inverters (UPS), telephone exchange, computer physical network, computers and peripherals).

- Other projects are:
 - Foreign exchange: exports, imports, invisible transactions
 - Payment to personnel and Human Resources
 - Accounts: general and subsidiary, budgetary, cost accounting
 - Management of credits and outstanding debts
 - Management of stocks and supplies
 - Management of movement of vehicles and fixed assets
 - Management of customers
 - Salary programming
 - Foreign exchange rates
 - Handling of medical issues
 - NBRNET (intranet/internet)
 - SWIFT

Activities in these projects are varied, but the most common are:

- Adapting programmes to users' needs
- Design and implementation of new modules
- Design and implementation of trend charts on the request of users
- Improvement of controls for data recording in databases
- Migration of archives data to the new operating environment UNIX/ORACLE

Other more ambitious projects were initiated in 2003 and will be carried on in 2004.

BANKNET: Interbank communication framework. The establishment of this system will enable the Bank to improve the quality and speed of exchange of data with its different partners.

OVERALL SECURITY: Management of accesses and fire detection.

IV.4 Audit of the Bank's Operations

IV.4.1 Internal Audit

The establishment of the Department of Internal Audit at National Bank of Rwanda came with the restructuring exercise in January 2003. This department, whose mission is to provide Management with reasonable assurance on the operations of the Bank, set for itself in 2003 the objective of carrying out the operational reorganization of the activities of internal audit at NBR, with the aim of moving from pure inspection to risk-based audit and implemented in accordance with the standards and good audit practices laid down by the Institute of Internal Auditors. This objective was translated into action by the establishment of an Internal Audit Statute approved by the Board of Directors, the identification of risks in the Bank's operations and the development of an internal audit plan for the year 2004.

Risk identification and the development of the audit plan for 2004 called for an in-house training of existing auditors in the concepts of internal audit and the method of identifying risks as well as the development of two procedures, namely internal audit plan development and general implementation of internal audit tasks.

Parallel to the activities of refocusing internal audit to risk-based audit, selected inspections continued to be carried out in high risk areas such as the Main Petty Cash Fund and external payments for the security of the Bank's property. In this regard, eight surprise inspection reports on petty cash and an investigation report on the execution of external payments orders were produced.

IV.4.2 External Audit

During 2003, two external audits were carried out at NBR. These were the audit of the Bank's accounts carried out by GRANT THORTON from August to October 2003 and the supervision mission of the Bank's operations carried out for the first time since 1994 by the "Censors' Council" from 20th October to 14th November 2003.

These two audits made relevant observations and recommendations on the management of the activities of the Bank, some of which have already been implemented, while others will be implemented in 2004.

IV. 5 Other Supplementary Activities

IV.5.1 Legal Affairs

During the year under review, the Legal Department of the Bank came on the scene several times by giving advice proposals on various legal issues. These advice proposals concerned mainly the difficulties in applying some legal provisions, certain draft statutory instruments and draft contracts as follows:

- Transfer modalities of the Housing Fund to the Rwandan Mortgage Fund (C.H.R.)
- Draft directive on the standards of risk diversification and cover
- Fraud and attempted fraud on some dormant accounts
- Interpretation of Article 111 of the General Statute of Rwandan Civil Service relating to the inherent advantages of being in an acting position
- Application for the release of FARG funds withheld on its account No. 120.26.75 operated at NBR
- Directive No. 04/2003 relating to the status of the information technology project manager at NBR
- Draft instructions relating to the establishment of a commission for the coordination of procedures for establishing the coat of arms of National Bank of Rwanda
- Draft "mandate to mortgage"
- Draft partial review of the Staff Rules of National Bank of Rwanda
- Draft Ministerial Order establishing the duration of the working week

It should be stressed that, as usual and for practical reasons, the Bank prepared for MINECOFIN as and when necessary, draft bills concerning the Bank itself or the activities it covers. This was the case with the draft bill on leasing which was adopted by the Government in July 2003.

With regard to monitoring the development of Rwandan laws, the Bank, through its Legal Department, completed its database on references of the main statutory instruments and regulations which are of some interest to NBR and had been published in the Official Gazette of the Republic of Rwanda since 1995. This Department thus possesses an updated directory which will be filled in along with the publication of new laws in the Official Gazette of the Republic.

Concerning disputes, the Legal Department handled the following issues:

- Pleading pending cases before the courts
- Preparing contentious cases and ensure the fulfillment of all processes during each legal proceeding
- Making legal opinion proposals on contentious issues
- Keeping and updating the list of cases pending before the courts

IV.5.2 General Services

1. Investments

During 2003 financial year, the Bank acquired capital equipment for different purposes at considerable cost. The following contracts were awarded through tendering:

- Computer equipment: RWF 70 million
- Furniture, furnishing articles and kitchen equipment for the canteen (M7): RWF 41.5 million
- APC inverter (UPS) dp 360E of 60 KVA: RWF 28 million
- Automatic sorter of banknotes De la Rue, Cobra 4004: RWF 147.716 million
- Three automatic tills for cash tellers: RWF 104.4 million

Still under the same investment framework, important contracts were signed and related procurements are in the course of implementation:

- Installation of a general security system: RWF 704 million
- Shredder of demonetized banknotes: RWF 99 million

2. Security and Maintenance

A. Security

With a view to resolving security problems inherent in access control, video-surveillance, anti-intrusion and fire detection, the Bank signed in September 2001 a contract for a study of the general security system with the Swiss company RM Risk Management A.G. based in Zurich, Switzerland.

From the study carried out, the Bank called for closed tenders to carry out the project (August 2002), and the contract was awarded to AFS Systems, a South African company based in Johannesburg. A contract was signed with this company in July 2003.

Since then, the system was satisfactorily tested in the presence of the Bank's delegation, and it is expected to be installed during the first quarter of 2004.

B. Maintenance

B.1 Machinery and Equipment

During the year under review, maintenance contracts were signed for:

- An automatic sorter of banknotes
- Three automatic tills for the distribution of banknotes installed at three counters of the Bank
- A banknotes shredder

B.2 Rehabilitation/Transformation of the Welfare Building

In October 2002, a Rwanda-Kenyan Consortium composed of ATLANTIS Consult (RW) and Dimension Architects & Interior Designers (Kenya) engineering firms were contracted to study this project following an international competitive bidding.

After considering the design submitted by the said Consortium, the Bank's Management felt that the overall project (composed of the rehabilitation of waterproofing, the extension of buildings on terraces, the reorganization of the interior and air conditioning), the cost of which was estimated at RWF 3 billion, was too costly and requested that it should be reviewed downward (at around RWF 1 billion).

The revised project is expected by end January 2004. It will be presented to the Board of Directors in March 2004, and the Board will decide whether to go ahead with the project as it is, or rehabilitate waterproofing of the old building, with the construction of a new one for the extension of offices.

Chapter V: Financial Statements for the Financial Year 2003

V.1 Balance Sheet

Total balance sheet for 2003 amounted to RWF 244,195 million against 228,473 million in 2002, an increase of RWF 15,722 million in absolute terms or 7% in relative terms. The budget items on the side of assets which registered substantial increases were the subscription to the capital of IMF and fixed assets.

Table 80: Balance sheet as at 31st December 2003 (in RWF)

Accounts	2003	2002
ASSETS		
Petty cash	606,579,292	116,332,483
Foreign claims	123,720,101,248	124,493,768,280
International Monetary Fund subscription	68,010,146,550	55,164,813,930
Claims on Rwandan Government and related items	43,916,763,812	43,050,392,269
Claims on banks and other local financial institutions	1,568,824,890	2,486,230,301
Stocks of consumables	117,441,221	119,998,837
Miscellaneous claims	2,959,969,393	2,327,038,292
Other fixed assets	2,035,602,199	159,332,245
Tangible assets	1,059,990,459	515,265,748
Equity securities	200,000,000	40,000,000
TOTAL ASSETS	244,195,419,064	228,473,172,385
LIABILITIES		
Currency in circulation	36,467,123,264	30,719,417,272
Government deposits and related items	33,460,314,629	50,964,390,588
Banks and other financial institutions	12,009,091,759	12,097,264,039
Liabilities to the International Monetary Fund	132,159,523,636	107,619,023,899
Other foreign liabilities	6,211,666,743	9,105,796,738
Other credits	7,285,245,552	5,056,030,761
TOTAL LIABILITIES	227,592,965,583	215,561,923,297
EQUITY CAPITAL		
Share capital	2,000,000,000	2,000,000,000
General Reserve Fund	6,084,249,000	5,553,312,564
Profits to be distributed	5,462,923,075	2,654,682,178
Other reserves	3,055,281,406	2,703,254,346
TOTAL EQUITY CAPITAL	16,602,453,481	12,911,249,088
TOTAL LIABILITIES AND EQUITY CAPITAL	244,195,419,064	228,473,172,385

Source: Accounts and Budget Department

On the liability side, the most significant increases were recorded under Liabilities to the International Monetary Fund and Currency in Circulation.

The increase in the total balance sheet was thus practically due to the rise in the exchange rate which mainly put Rwanda's subscription to the IMF capital on the assets side and commitments to IMF on the liabilities side. The 2003 financial year was characterized by a significant increase of currency in circulation, coupled with a sharp reduction of foreign exchange assets and a reduction of Government deposits.

V.1.1 Assets Accounts

In the order of importance, foreign claims took the lead with 50.7% of total assets, followed by subscription to IMF capital and claims on Government and related items respectively. These two last items represented 28% and 18% of total assets respectively.

Table 81: Comparison between assets accounts for 2002 and 2003 financial years (in thousands of RWF)

Items	Financial years				Changes	
	2003		2002		Absolues	En %
	Amount	%	Amount	%		
1. Petty cash	606,579	0.2	116,332	0.1	490,247	421
2. Foreign claims	123,720,101	50.7	124,493,768	54.5	-773,667	-0.6
3. Subscription to IMF	68,010,147	27.8	55,164,814	24.1	12,845,333	23.3
4. Claims on Govt. & related items	43,916,764	18	43,050,392	18.8	866,372	2
5. Claims on banks and OFI (local)	1,568,825	0.6	2,486,230	1.1	-917,405	-36.9
6. Stocks of consumables	117,442	0.1	119,999	0.1	(2,557)	-2.1
7. Miscellaneous claims	2,959,969	1.2	2,327,039	1.0	632,930	27.1
8. Other fixed assets	2,035,602	0.9	159,332	0.1	1,876,270	na
9. Tangible assets	1,059,990	0.4	515,266	0.2	544,724	105.7
10. Equity securities	200,000	0.1	40,000	-	160,000	400
TOTAL ASSETS	244,195,419	100	228,473,172	100	15,722,247	6.9

Source : Accounts and Budget Department

1. Petty cash fund: RWF 606.5 million

This item records foreign exchange assets in the form of banknotes. It increased from RWF 116 million by end 2002 to 606.5 million as at 31. 12. 2003, a change of RWF 490.5 million in absolute value, and a net increase of 421%.

This increase was due to a supply of one million American dollars in banknotes. Dollar assets represented the biggest share of the foreign currency holdings because this hard currency is usually on a higher demand than others.

2. Foreign claims: RWF 123,720 million

Foreign claims decreased from RWF 124,494 million by end 2002 to 123,720 million as at 31.12.2003, representing a decrease of RWF 774 million in absolute value and 0.6% in relative value.

This decrease was due to the following factors:

1. Total foreign currency receipts decreased from 228.45 million US\$ in 2002 to 206.71 million US\$ as at 31/12/2003, representing a reduction of 10%. Among these receipts, foreign disbursements as assistance to Government budget fell from 108.25 million US\$ at the end of 2002 to 76.34 million US\$ as at 31/12/2003, a reduction of 29.5%.

2. In addition, foreign currency expenses in 2003 were higher than in 2002, amounting to 245.06 million US\$ against 197.09 million US\$, an increase of 24.6%. Government expenditure at the end of 2002 amounted to 49.27 million US\$ and rose to 58.60 million US\$ at the end of 2003, representing a net increase of 18.9%.

The general level of foreign assets during the whole of 2003 was higher than that of 2002, thanks to a disbursement of 46 million US\$ made on 31 December 2002 and which, in reality, was used during 2003 financial year. Nevertheless, as already mentioned, total foreign currency receipts in 2003 were less by 10% against those for 2002.

3. Subscription to the International Monetary Fund: RWF 68,010 million

This budget line increased from RWF 55,165 million by end 2002 to 68,010 million by end 2003, representing an increase of RWF 12,845 million or a net growth of 23.28%. This increase was solely due to the changes in exchange rates since their exchange-value in foreign currency at 80.1 million SDR did not change.

4. Claims on Government and related items: RWF 43,917 million

Claims on the Government of Rwanda increased by RWF 866 million, representing a net rise of 2% in relative terms.

The consolidated debt reduced by RWF 484 million after the repayment carried out at end March 2003 during the allocation of net profits from 2002 financial year.

The overdraft of RWF 138 million granted to National Social Security Fund (Caisse Sociale du Rwanda) before the closing of 2002 financial year was paid back beginning January 2004.

It should be pointed out that even if the overdraft granted to the Government Accounting Officer (OTR) stood at an acceptable level of RWF 1,489 million by end 2003, it had at times reached considerable levels, especially between July and October when the highest level reached was RWF 9.8 billion.

On the other hand, Government borrowing from the private sector increased such that Treasury Bills issued increased from RWF 10,879 million by end 2002 to 16,054 million as at 31/12/2003.

5. Claims on banks and other local financial institutions: RWF 1,569 million

This item reduced from RWF 2,486 million by end 2002 to 1,569 million by end 2003, representing repayments of RWF 917 million in absolute terms or 36.9% in relative terms.

The balance consisted mainly of outstanding loans to the banks from IDA line of credit No. 2541 for an amount of RWF 575 million, IDA line No. 3270 for RWF 238 million, loan on housing financing of RWF 533 million, and from the Preferential Refinancing Facility on long term loans for agricultural and agro-industrial exports amounting to RWF 78 million. The latter line of credit was financed from NBR equity capital.

6. Stocks of consumables: RWF 117 million

Compared to end 2002, the level of the stocks of consumables remained virtually unchanged.

7. Other claims: RWF 2,960 million

Compared to end 2002, this item rose by RWF 633 million, a net increase of 27.2%. These increases were observed mainly in loan accounts to employees and equalization accounts.

Loans to employees increased by RWF 285 million as a result of new loans for house construction; assets regularization accounts increased by RWF 363 million following the sale of foreign currency to authorized banks carried out on the eve of 31 December the exchange value of which in RWF was entered on the RWF account receivable for transfer of foreign exchange, pending the date of the delivery of securities.

The item " Other claims " reduced by RWF 70 million due to the repayment of the same amount by the authority responsible for the liquidation of the Rwandan Savings Bank.

8. Other fixed assets: RWF 2,036 million

This item recorded a sharp increase. Its balance rose from RWF 159 million by end 2002 to RWF 2,036 million by end 2003, mainly as a result of the purchase of new RWF 100 banknotes and coins for a total amount of RWF 2,032 million.

9. Tangible assets: RWF 1,060 million

This item recorded an increase of RWF 545 million compared to end 2002. This increase was mainly due to the purchase of a building for SIMTEL for RWF 100 million, the transformation and extension of house M7 which became a NBR canteen for RWF 73 million, the purchase of an automatic sorter of banknotes and machines for shredding banknotes for RWF 252 million, computer equipment for RWF 77 million, equipment and furniture for RWF 95 million, and an advance payment on fixed assets order of RWF 173 million the big part of which was for NBR general security system.

10. Equity securities: RWF 200 million

Equity securities increased by RWF 160 million in 2003. This consisted of an additional subscription of RWF 160 million to the capital of SIMTEL which rose from RWF 100 million as at 31 December 2002 to 600 million at the end of 2003, and NBR continues to be the major shareholder with equity of RWF 200 million.

V.1.2 Liabilities Accounts

The balance of liabilities increased from RWF 215,562 million by end 2002 to RWF 227,593 million by end 2003, representing an increase of 5.6%. The major items which registered an increase were liabilities to the International Monetary Fund, currency in circulation and other credits. Government deposits and other foreign commitments were on the decrease. Commitments to the International Monetary Fund were in the lead with a share of 58.1% of total liabilities against 49.9% in 2002. Currency in circulation came second and Government deposits third, representing 16% and 14.7% of total liabilities respectively.

By end 2002, Government deposits took the second position with 23.6% coming after commitments to IMF, and currency in circulation came third with 14.3%.

Table 82: Comparison of liabilities accounts for 2002-2003 financial years (in thousands of RWF)

Items	Financial years				Changes	
	2003		2002		Absolute	in %
	Amount	%	Amount	%		
1. Currency in circulation	36,467,123	16	30,719,417	14.3	5,747,706	18.7
2. Govt. deposits & related items	33,460,315	14.7	50,964,390	23.6	-17,504,075	-34.3
3. Banks & local OFI	12,009,092	5.3	12,097,264	5.6	-88,172	0.7
4. Commitments to IMF	132,159,524	58.1	107,619,024	49.9	24,540,500	22.8
5. Other foreign commitments	6,211,667	2.7	9,105,797	4.2	-2,894,130	-31.8
6. Other credits	7,285,245	3.2	5,056,031	2.4	2,229,214	44
TOTAL LIABILITIES	227,592,966	100	215,561,923	100	12,031,043	5.6

Source: NBR, Accounts and Budget Department

1. Currency in circulation: RWF 36,467 million

Compared to end 2002, currency in circulation as at 31 December 2003 had increased by RWF 5,478 million, representing a net rise of 18.7%. This increase was the result of the sharp reduction of Government deposits and the increase of overdrafts it received during the third quarter of the year.

The increase in currency in circulation could have reached higher proportions had NBR not increased its sales of foreign currency to commercial banks to defend the exchange rate of RWF to the detriment of currency in circulation which recorded a reduction.

2. Government deposits and related items: RWF 33,460 million

Government deposits registered a sharp decrease of RWF 17,504 million, a reduction of 34.8%. This reduction was mainly the result of the decrease of the Government Treasurer's account by RWF 4.8 billion, the reduction of Government foreign currency deposits by RWF 6.2 billion and the reduction of Government institutions deposits by RWF 0.6 billion.

Poor foreign currency disbursements especially under assistance to the Government budget was the cause of the sharp use of Government deposits, particularly 26 million US\$ disbursed at the end of December 2002 by IDA in favour of Institution Reform Credit account, this amount being credited later to the Treasury account.

3. Banks and other financial institutions: RWF 12,009 million

A comparison of bank deposits by end December 2003 and end December 2002 shows that these deposits were stable.

In reality, banks reserves were very high in 2003 to such an extent that NBR had to take measures to keep a check on them every day in order to prevent them from going out of control in relation to the monetary programme agreed with the International Monetary Fund. In this regard, NBR had to make constant use of the mopping up and Treasury Bills issue mechanisms for purposes of both Government

budget deficit and monetary policy, in order to stabilize bank liquidity and contain it within the programme agreed with IMF.

Naturally, the cost of this intervention policy of draining off excess liquidity affected greatly the operating account of the Bank.

By end 2003, Treasury Bills subscribed by commercial banks amounted to RWF 10,075 million in total, against RWF 8,500 million in 2002.

4. Liabilities to the International Monetary Fund: RWF 132,159 million

By end 2003, these liabilities were composed of:

- IMF account No. 1 corresponds to Rwanda's subscription to IMF capital. It is the counterpart of IMF share account in RWF which is entered under assets in the balance sheet for an amount of RWF 68 billion. These two accounts are not interest bearing.
- Structural loan accounts (FASR and PRGF) with a total of RWF 53 billion. Their repayment started during the financial year under review, and the Bank paid a half-yearly commission of 0.5%. The amount reimbursed in December 2003 on FASR was equal to 611,250 SDR, being the first installment of the refund.
- SDR allocation account with a total amount of RWF 12 billion on which NBR pays quarterly interests, based on the interest rate of cash loans granted by IMF. This amount is a long term resource because as long as Rwanda remains member of IMF, it is not payable.

Commitments to IMF represented 58.1% of total liabilities and registered a net increase of 22.8% due to the rise of the exchange rate of SDR, though their total in foreign currency did not virtually change.

5. Foreign liabilities: RWF 6,212 million

Foreign liabilities decreased by RWF 2,893 million, or 31.8%. This decrease was primarily due to the decision taken during the financial year to reduce the overdraft at National Bank of Belgium which costs 3% per year, while term investments in Euro yield at a lower rate. This overdraft was reduced from 15.1 million to 7.5 million Euros by end December 2003.

6. Other credits: RWF 7,285 million

Compared to 2002, this item registered an increase of RWF 2,229 million, or 44% in relative terms. The big proportion of this increase amounting to RWF 1,894 million came from the increase of payment orders to be settled, the balance of which increased from RWF 1,540 million by end 2002 to RWF 3,454 million by end 2003.

Non statutory accounts which for the most part relate to dormant accounts transferred to NBR by commercial banks remained stable. Suspense and equalization accounts at the end of the financial year registered an increase of RWF 389 million due to unpaid suppliers, business taxes and unsettled quarterly contributions to National Social Security Fund, as well as equalization accounts which were on the increase by end of the financial year.

V.1.3 Equity Capital Accounts

Total equity capital increased from RWF 12,911 million by end 2002 to 16,602 million by end 2003, representing a rise of 28.6%. As shown in the Table on equity capital changes, this increase was due to the allocation of net income of 2002 financial year and the profits earned in 2003

The General Reserve Fund rose RWF from 5,553 million by end 2002 to 6,084 million by end 2003, an increase of RWF 531 million, due to the allocation of profits from 2002 financial year. Other reserves increased from RWF 2,703 million to 3,055 million as a result of the allocation of profits from 2002 amounting to RWF 498 million, the constitution of provisions at the end of the fiscal year for an amount of RWF 47 million, and the use of the provision for the printing of banknotes amounting to RWF 193 million.

Table 83: Comparison of equity capital for 2002 and 2003 fiscal years (in millions of RWF)

Items	Financial years				Changes	
	2003		2002		Absolute	in %
	Amount	%	Amount	%		
1. Share capital	2,000,000	12.0	2,000,000	15.5	-	-
2. General Reserve Fund	6,084,249	36.7	5,553,313	43.0	530,936	9.6
3. Profits to be distributed	5,462,923	32.9	2,654,682	20.6	2,808,241	105.8
4. Other reserves	3,055,281	18.4	2,703,254	20.9	352,027	13.0
TOTAL EQUITY CAPITAL	16,602,453	100,0	12,911,249	100,0	3,691,204	28.6

Source : Accounts and Budget Department

Thus, in addition to the net profit for 2003 financial year which, compared to 2002, registered an increase of 105.8%, the allocation of profits for 2002 contributed to the rise of equity capital by about 8%.

Table 84: Profit and loss account (in RWF)

	2003	2002
INCOME		
Income from banking operations	3,718,431,422	3,585,166,415
Income from exchange operations	2,303,669,468	1,556,248,100
Administrative income	181,958,348	115,107,131
Miscellaneous incomes	472,903,648	440,861,476
Exceptional income for financial year	374,676,587	262,502,386
Income on exchange rate fluctuations	3,959,547,581	1,391,743,100
TOTAL INCOME	11,011,187,054	7,351,628,608
EXPENSES		
Banking operation costs	1,187,207,634	1,211,868,449
Administrative costs	3,005,127,382	2,576,202,223
Other operating costs	683,607,224	588,754,119
Allowances to provisions accounts	95,815,824	8,709,524
Depreciation of other capital assets	313,289,588	83,650,711
Depreciation of tangible assets	241,130,670	218,600,005
Exceptional costs	22,085,657	9,161,399
TOTAL COSTS	5,548,263,979	4,696,946,430
INCOME FOR THE YEAR	5,462,923,075	2,654,682,178

Source: Accounts & Budget Department

As mentioned earlier, working conditions for the 2003 fiscal year were difficult compared to previous years.

In fact, while the bulk of the Bank's income came from foreign assets investments, it was observed that for 3 years, interest rates applied on international markets had remained very low and continued on the downward trend when it was practically impossible to cut operating costs.

Despite the efforts made with a view to diversifying foreign assets investments, net interests on the whole fell to RWF 2,580 million from 2,637 million by end 2002. The Bank was forced to strengthen the utilization of income from arbitrage in order to compensate this shortfall. This was done successfully because net income from banking operations increased by 25.4% and operating income by 39.5%.

On its part, income from daily fluctuations of exchange rates increased from RWF 1,392 to 3,960 million between 2002 and 2003, representing a net rise of 184.5%.

Thanks to these different increases, net income for the year under review rose to RWF 5,463 million from 2,655 million by end 2002. This was the first time that the Bank posted such a significant income since 1995.

V.2 Operational Accounts

V.2.1 Income

Total income for 2003 financial year was RWF 11,011 million against 7,352 million in 2002, representing an increase of 49.8%. Income from banking operations amounted to RWF 7,051 million compared to 5,960 million by end 2002, an increase of 18.3%, and it contributed to the formation of net income for the year at 64%, while this was 81% by end 2002.

Table 85: Comparison of income for 2003 and 2002 financial years (in thousands of RWF)

	Financial years				Changes	
	2003		2002		Absolute	in %
Income	Amount	%	Amount	%		
1. Banking operations	3,718,431	33.8	3,585,166	48.8	133,265	3.7
2. Foreign currency operations	2,303,669	20.9	1,556,248	21.2	747,421	48.0
3. Administrative income	181,958	1.6	115,107	1.5	66,851	58.0
4. Exceptional income for the year	472,904	4.3	440,862	6	32,042	7.3
5. Miscellaneous income	374,677	3.4	262,502	3.6	112,175	42.7
6. Income on exch, rate fluctuations	3,959,548	36	1,391,743	18.9	2,567,805	184.5
TOTAL	11,011,187	100	7,351,628	100	3,659,559	49.8

Source: Accounts & Budget Department

1. Income from Banking Operations

Income from banking operations are those that pay for the banking intermediation exercise, including interests and commissions on transactions in RWF and foreign currencies.

Interests on loans in RWF remained stable and amounted to RWF 1,236 million against 1,250 million by end 2002. They consisted of interest on loans to Government to the tune of RWF 1,174 million, interest on loans to the banks of RWF 25 million and interest on loans to personnel amounting to RWF 37 million.

Income on foreign assets increased by RWF 61 million and was distributed as follows:

Table 86: Distribution of income on foreign assets (in millions of RWF)

	2003	2002
Interest on call money in foreign currencies	617	550
Interest on fixed term investments	965	1,390
Income on funds invested with specialized institutions	720	301
Total	2,302	2,241

Source : Accounts & Budget Department

This moderate increase was due to the general drop of interest rates on international capital markets. Most of the foreign correspondents no longer pay for sight assets, and the observed increase of interest on call money in foreign currencies came from sight assets in SDR held at IMF, which were reviewed upward to the detriment of the SDR account of NBR operated at la Belgolaise. In fact, NBR preferred to concentrate all its SDR assets at IMF because la Belgolaise posed a high risk and IMF offered a relatively higher interest rate.

Interests on fixed term investments posted a sharp decrease while interests on funds invested with specialized institutions were increasing. This decrease was due to the fall of interest rates for term investments and the reduction of the volume of term investments in favour of funds invested with specialized institutions.

Commissions on services decreased considerably compared to 2002. In fact, during 2003 fiscal year, the Bank did not have as many opportunities to open documentary letters of credit as in 2002, and this reduced the volume of earned commissions.

Concerning purchase and sale transactions of foreign currency securities carried out in order to diversify the portfolio and increase risk cover, the operations carried out by the Management of CAAMIL Fund produced a profit of RWF 57 million in 2003, against a loss of RWF 78 million in 2002.

2. Income from exchange operations: RWF 2,304 million

Revenues from exchange operations contributed sharply to the improvement of the operating result for the year under review and compensated the loss of income incurred on fixed term investments operations. In fact, compared to 2002, these products increased by RWF 748 million, representing a net rise of 48%. Profits on arbitrage of foreign currencies increased from RWF 972 million by end 2002 to RWF 1,527 million by end 2003, and profits from exchange operations increased by RWF 192 million since they rose from RWF 585 million by end 2002 to 777 million by end 2003.

3. Administrative income: RWF 182 million

Compared to end 2002, administrative income in 2003 registered an increase of RWF 67 million, representing a considerable rise of 58.5%, mainly from fines collected from the foreign exchange market.

4. Miscellaneous incomes: RWF 472 million

The increase of products relating to previous fiscal years was due to equalization entries of the old credit hold. The reduction of income from the transfer of fixed assets was a result of the fall in the number of houses to sell. The reduction of income generated by various recoveries was due to the reduced number of auction sales of used items.

Table 87: Distribution of miscellaneous incomes (in RWF)

	2003	2002
Recoveries and other similar incomes	10,581,085	37,255,800
Incomes relating to previous fiscal years	290,127,749	94,476,561
Income on transfer of fixed assets	172,194,814	309,129,115
Total	472,903,648	440,861,476

Source : Accounts & Budget Department

5. Exceptional income of the financial year: RWF 375 million

Compared to end 2002, exceptional income rose by RWF 112 million. This increase was a result of the repayment by the authority responsible for the liquidation of Rwanda Savings Bank RWF of the already serviced debt of 70 million, the renewal of provisions for the printing of banknotes amounting to RWF

193 million and other provisions constituted earlier amounting to RWF 13 million and receipts from renting some houses of NBR.

6. Income from exchange rate fluctuations: RWF 3,960 million

Compared to 2002, this item registered a sharp increase of RWF 2,568 million in absolute terms equivalent to 184.50% in relative terms. This increase was a result of the following two factors:

1. The Rwandan franc registered a continuous depreciation for the whole of 2003 against hard currencies as shown in the table below ;
2. NBR's foreign exchange net position is structurally positive, which means that its foreign exchange assets are always more than its foreign currency liabilities.

The combination of the above two factors led to this increase of income over the daily exchange rate fluctuations since the income is equal to the net foreign exchange position which is positive, multiplied by the depreciation of the exchange rate.

Table 88: Average exchange rate of RWF to hard currencies in 2003

Foreign currency	3 January	2 July	31 December
USD	511.96	533.84	580.28
Euro	535.87	616.69	725.81
DTS	690.07	741.98	849.07
GBP	822.97	885.10	1.030.52

Source: Department of International Operations

V.2.2 Operating Charges

Total charges for the year stood at RWF 5,548 million against 4,697 million in 2002, representing an increase of 18.1%. Administrative expenses continued to occupy the first place with a share equal to 54.2% against 54.8 by end 2002. Depreciation expenses registered a sharp increase as a result of the purchase of new banknotes of RWF 100 and coins, as well as various purchases of other tangible fixed assets.

Table 89: Comparison of charges for 2002 and 2003 financial years (in thousands of RWF)

	Years				Changes	
	2003		2002		Absolute	in %
Charges	Amount	%	Amount	%		
1. Bank charges	1,187,208	21.4	1,211,869	25.8	-24,661	-2
2. Administrative charges	3,005,127	54.2	2,576,202	54.8	428,925	16.6
3. Other operating charges	683,607	12.3	588,754	12.5	94,853	16.1
4. Allowances on provision accounts	95,816	1.7	8,709	0.2	87,107	1.000
5. Allowances on depreciation accounts of other fixed assets	313,289	5.7	83,651	1.8	229,638	274.5
6. Allowances on depreciation accounts of Tangible fixed assets	241,131	4.3	218,600	4.7	22,531	10.3
7. Exceptional charges	22,086	0.4	9,161	0.2	12,925	141
TOTAL DES CHARGES	5,548,264	100	4,696,946	100	851,318	18.1

Source: Accounts and Budget Department

1. Bank Charges: RWF 1,187 million

Compared to end 2002, bank charges on the whole posted a slight decrease of 25 million RWF. Apparently, this decrease was the result of the reduction of charges relating to the purchase of banknotes from RWF 205 million by end 2002 to 61 million by end 2003. The latter charges relate to an order for old RWF 100 notes which had been placed in 2002, the delivery of which took place in 2003.

Other items of this heading registered a slight increase. Interests on domestic loans increased from RWF 208 million by end 2002 to 280 million by end 2003. Interests on foreign loans amounted to RWF 638 million by end 2002 and to RWF 662 million by end 2003. Interests on NBR overdrafts also fell from RWF 245 million to 230 million by end 2003, as a result of the reduction of its balance since end July 2003. The positive effect of the reduction of this overdraft was cancelled by the rise of the Euro exchange rate. Interests on SDR allowances dropped slightly from RWF 181 million by end 2002 to 175 million as at 31.12.2003, due to the reduction of interest rates on international capital markets.

Like in the preceding case, the effects of this drop were not significant because of the rise of the SDR exchange rate. Interests on structural loans granted by IMF increased from RWF 202 million by end 2002 to 251 million as at 31.12.2003 as a result of the rise of the SDR exchange rate.

Commissions paid on foreign currency operations rose by RWF 9 million due to the increase of the fees payable to Crown Agency for the management of the CAAML Fund. Losses on exchange operations rose from RWF 87 million by end 2002 to 102 million in 2003, representing an increase of 17.2%. These losses related to the costs of intervention on the local exchange market and losses on foreign exchange arbitrage.

By end 2003, losses on arbitrage amounted to RWF 58 million in total against 29 million in 2002, as a result of an operation of converting US\$ in SDR with a view to reducing the short position on SDR, while the costs of intervention on the local exchange market amounted to RWF 44 million against 58 million by end 2002.

Other bank charges concerned fees for the purchase of old RWF 100 banknotes the stock of which was exhausted before the procedures of ordering new notes were finalized. These charges were moreover recovered by using provisions for the printing of banknotes which had been earmarked previously.

2. Administrative Charges: RWF 3,005 million

Compared to end 2002, administrative charges increased in general by 16.6%. Wage cost rose from RWF 2,073 million by end 2002 to RWF 2,589 million by end 2003, an increase of 24.9%. Payments for external services however fell from RWF 92 million to 45 million, a decrease of 51%. Travel and training costs dropped from RWF 228 million by end 2002 to 150 million as at 31.12.2003, representing a reduction of 34%. Other social charges (medical charges, life insurance, etc) increased from RWF 183 million to 228 million by end 2003, a rise of 24.6%, due mainly to medical charges which rose from RWF 143 million to 176 million over this period.

3. Other Operating Charges: RWF 684 million

Compared to 2002, other operating expenses increased by 16.1%. Some items registered an upward trend while others posted a downward trend in the light of the needs expressed by the Departments. As a result of the depreciation of the Rwandan franc, this increase is generally considered acceptable.

4. Allowances on Provision Accounts: RWF 96 million

While there were virtually no provisions in 2002, charges on provisions amounted to RWF 96 million in 2003. For the most part, they related to the depreciation of stocks of consumables and on-going contentious cases.

5. Allowances on depreciation of other fixed assets: RWF 313 million

By end 2002, allowances on depreciation increased from RWF 84 million to 313 million as at 31.12.2002, representing an increase of RWF 229 million. This increase is due to the write-off of printing costs of new RWF 100 banknotes and minting of coins received during 2003.

6. Allowances on depreciation accounts of tangible fixed assets: RWF 241 million

Compared to 2002, these allowances increased by RWF 22 million. Some of them however decreased (buildings, vehicles, etc) and others increased (printing of banknotes) as a result of purchases made during the year under review and preceding financial years.

7. Exceptional charges: RWF 22 million

As the title shows, these charges are occasional and come about unpredictably. Compared to 2002, they registered a rise of RWF 13 million, representing a significant change of 141.1%.

V.2.3 Income Statement

1. Operating Income

The operating income for 2003 amounted to RWF 5,464 million against 2,655 million by end 2002, representing an increase of 105.8%. The bulk of this income is attributable to the fluctuation of the exchange rates. However, even when the latter is excluded, the operating income still shows an increase.

This performance therefore needs to be appreciated considering the prevailing working conditions which were made difficult by the unfavourable international environment. NBR increased arbitrage operations and diversified its foreign exchange investments, a policy which enabled it to meet the very high cost of acquired investments.

2. Change in Equity Capital

As mentioned earlier, by end 2003, equity capital rose to RWF 16,602 million against 12,911 million by end 2002, an increase of RWF 3,691 million or 28.6% in relative terms. This increase was due to the big volume of 2002 profits kept in equity capital during the allocation of benefits for the year and to net profits for 2003 which were relatively very high.

In fact, during the allocation of income for 2002 financial year, an amount equal to RWF 1,029 million was allocated to the reserve fund, and profits for 2003 amounted to RWF 5,463 million against 2,655 million in 2002.

V.2.4 Cash Flow

Cash flow at the end of 2003 registered a decrease of RWF 283 million compared to the level registered by end 2002. In fact, it amounted to RWF 124,610 million by end 2002 and to RWF 124,326 million by end 2003, a drop of 0.22%. This decrease was due to the fact that cash generated by the operations proper in 2003 was negative.

Cash flow generated by operations before the change of the working capital was positive and amounted to RWF 5,713 million against 2,443 million by end 2002, representing an increase of 134%.

Cash flow from the working capital was negative and amounted to RWF 1,395 million, a drop of RWF 28,368 million due to the sharp reduction of Government deposits the level of which depends for the most part on disbursements of external funds.

On the other hand, this deep cash flow deficit was the cause of the big volume of currency issues. As a result of the decrease of cash flow from the working capital, operating cash flow reduced to RWF 4,319 million from 29,415 million by end 2002. Cash flow relating to investment operations was also negative due to considerable purchases of machinery and banknotes and coins during the year. Compared to 2002, it declined by RWF 2,940 million.

One could summarize this situation by saying that the Bank's cash flow declined as a result of the reduction of foreign aid and big purchases of fixed assets. On the other hand, the net position of foreign exchange fell by RWF 9,084 million due to a sharp use of foreign assets.

V.3 Off-balance Sheet Accounts

Total off-balance sheet accounts amounted to RWF 112,345 million against 119,139 million as at end 2002, representing a decrease of 5.7%.

This decrease can be explained by the following factors:

- Greenhouse management accounts amounted to RWF 54,693 million down from 65,799 million, representing a decrease of RWF 11,106 million despite recent deliveries of banknotes of RWF 100 and coins. This decrease resulted from the destruction exercise of old banknotes carried out during the year.
- Goods on consignment totaled RWF 232 million as at 31.12.2003 against 430 million by end 2002. They comprised American Express traveller's cheques deposited in consignment at NBR.
- The public debt ledger registered RWF 43,597 million against 39,385 million by end 2002, representing an increase of 10.7%. The new domestic public debt consisted mainly of Treasury Bills and amounted to RWF 16,054 million against 10,879 million by end 2002, an increase of 47.6%.
- The old domestic public debt amounted therefore to RWF 27,543 million.
- Aid from the Chinese Government to the Government of Rwanda amounted to RWF 13,811 million against 13,093 million by end 2002.

It is worth recalling that off-balance sheet accounts of NBR do not contain any potential commitments that could involve a loss or profit to the Bank. They are included in the account statements of NBR for historical reasons or in order to monitor certain securities, but they do not constitute off-balance sheet commitments in the true sense of the word.

On the other hand, they will no longer be officially published pursuant to the opinion of the external auditors and Inter Control Company, authors of the new chart of accounts of the Bank. They will be published in the explanatory notes of financial statements as an indication only.

V.4 Allocation of Profits

Profits for the year under review amounted to RWF 5,462,923,075. At its meeting held on 28 March 2003, the Board of Directors of NBR decided that all the proceeds from exchange rate fluctuations should be allocated to the Exchange Rate Fluctuations Reserve Account.

If these proceeds are deducted from the net profit of the year, the balance to be allocated amounts to RWF 1,503,375,494. In accordance with Article 65 of law No. 11/97 of 26 July 1997 establishing the Statute of NBR, a proportion equal to 20% of this amount is to be carried forward to the General Reserve Fund.

Likewise, at its meeting held on 30.04.2002, Cabinet fixed the emoluments of the members of the Board of Directors of NBR at 1% of net profits of the year, excluding the proceeds on exchange rate fluctuations. For 2003, these emoluments amounted to RWF 15,033,755.

It is proposed that 15% of the remaining part of these profits after allocation to the General Reserve Fund be entered into the Social Fund account as usual. It should be pointed out that the proceeds earned from the sale of NBR houses amounted to RWF 150,447,943, a sum that is lower than the 15% of the rest of the profits after allocation to the General Reserve Fund.

After the constitution of these reserves, the remaining part amounting to RWF 1,007,261,581 was paid into the Government Treasury account. But of this amount, as usual and pursuant to Article 5 of the Convention No. 1/96 relating to the consolidation of the amounts of the special and exceptional consolidated advances granted to the Rwandan Government by NBR, NBR retained an amount equivalent to 30%, or RWF 302,178,474, as the annual repayment of the consolidated debt. The amount paid into the Government Treasury account amounted thus to RWF 705,083,107.

Table 90: Allocation of profits for 2003 (in RWF)

	Amount
Net profit	5,462,923,075
Allocation to the Reserve Fund for exchange rate fluctuations	3,959,547,581
Net amount to be distributed	1,503,375,494
General Reserve Fund (20 %)	300,675,099
Emoluments of members of the Board of Directors (1 %)	15,033,755
Social Fund (15 % of net profits to be distributed excluding amount allocated to General Reserve Fund)	180,405,059
Balance to the Government of Rwanda	1,007,261,581
Repayment of the consolidated debt	302,178,474
Balance to be paid to Treasury	705,083,107

Source : Accounts & Budget Department

Notes to the Financial Statements

BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003	2002
ASSETS			
Petty cash		606,579,292	116,332,483
Foreign exchange claims	2	123,720,101,248	124,493,768,280
Subscription to International Monetary Fund	3	68,010,146,550	55,164,813,930
Claims on Rwandan Government and related items	4	43,916,763,812	43,050,392,269
Claims on banks and other local financial institutions	5	1,568,824,890	2,486,230,301
Stocks of consumables	6	117,441,221	119,998,837
Miscellaneous claims	7	2,959,969,393	2,327,038,292
Other fixed assets	8	2,035,602,199	159,332,245
Tangible assets	9	1,059,990,459	515,265,748
Equity securities	10	200,000,000	40,000,000
TOTAL ASSETS		244,195,419,064	228,473,172,385
LIABILITIES AND EQUITY CAPITAL			
LIABILITIES			
Currency in circulation	11	36,467,123,264	30,719,417,272
Government deposits and related items	12	33,460,314,629	50,964,390,588
Banks and other financial institutions	13	12,009,091,759	12,097,264,039
Commitments to International Monetary Fund	14	132,159,523,636	107,619,023,899
Other foreign currency commitments	15	6,211,666,743	9,105,796,738
Other credits	16	7,285,245,552	5,056,030,761
TOTAL LIABILITIES		227,592,965,583	215,561,923,297
EQUITY CAPITAL			
Share capital	17	2,000,000,000	2,000,000,000
General Reserve Fund	18	6,084,249,000	5,553,312,564
Profits to be distributed	26	5,462,923,075	2,654,682,178
Other reserves	19	3,055,281,406	2,703,254,346
TOTAL EQUITY CAPITAL		16,602,453,481	12,911,249,088
TOTAL LIABILITIES AND EQUITY CAPITAL		244,195,419,064	228,473,172,385

PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 2003

	Note	2003	2002
INCOME			
Income from banking operations	20	3,718,431,422	3,585,166,415
Income from foreign exchange operations	21	2,303,669,468	1,556,248,100
Administrative income		181,958,348	115,107,131
Miscellaneous income		472,903,648	440,861,476
Exceptional income		374,676,587	262,502,386
Income on exchange rate fluctuations		3,959,547,581	1,391,743,100
TOTAL INCOME		11,011,187,054	7,351,628,608
EXPENSES			
Banking operations costs	22	1,187,207,634	1,211,868,449
Administrative expenses	23	3,005,127,382	2,576,202,223
Other operating costs		683,607,224	588,754,119
Allocations to appropriation accounts		95,815,824	8,709,524
Depreciation of other fixed assets	24	313,289,588	83,650,711
Depreciation of tangible assets	8	241,130,670	218,600,005
Exceptional costs	9	22,085,657	9,161,399
TOTAL COSTS		5,548,263,979	4,696,946,430
NET INCOME FOR THE YEAR	26	5,462,923,075	2,654,682,178

TABLE OF EQUITY CAPITAL CHANGE AS AT END 2003

	Share capital	General reserves	Other reserves	Total equity capital
Balance as at 1st January 2002	2,000,000,000	8,084,146,962	2,235,386,543	12,319,533,505
Income for the financial year	-	2,654,682,178	-	2,654,682,178
Share of profits paid to Rwandan Government	-	(1,857,735,989)	-	(1,857,735,989)
Endowments to Social Fund		(420,014,969)	420,014,969	
Provision for exchange rate fluctuations	-	(253,083,440)	253,083,440	
Renewal of provisions for printing banknotes	-		(205,230,606)	(205,230,606)
Balance as at 31st December 2002	2,000,000,000	8,207,994,742	2,703,254,346	12,911,249,088
Balance as at 1st January 2003	2,000,000,000	8,207,994,742	2,703,254,346	12,911,249,088
Income for the financial year	-	5,462,923,075	-	5,462,923,075
Share of profits paid to Rwandan Government	-	(1,613,163,078)	-	(1,613,163,078)
Emoluments of Board members	-	(12,629,391)	-	(12,629,391)
Provisions for disputes	-	-	46,729,747	46,729,747
Appropriation to Social Fund	-	(285,578,699)	285,578,699	-
Provision for exchange rate fluctuations	-	(212,374,574)	212,374,574	-
Use of provision for printing banknotes	-	-	(192,655,960)	(192,655,960)
Balance as at 31st December 2003	2,000,000,000	11,547,172,075	3,055,281,406	16,602,453,481

TABLE OF CASH FLOW FOR 2003 FINANCIAL YEAR

	2003	2002
Income for the financial year	5,462,923,075	2,654,682,178
Adjustment:		
Depreciation of other fixed assets	327,030,944	83,650,711
Depreciation of tangible assets	241,130,667	218,600,005
Income from fixed assets transfer	(172,194,814)	(309,129,115)
Net endowments to reserves	(145,926,213)	(205,230,606)
Cash flow from operations before change of working capital	5,712,963,659	2,442,573,173
Increase/Decrease of IMF subscription	(12,845,332,620)	(9,280,458,090)
Increase/Decrease of claims on Government	(866,371,543)	418,779,421
Increase/Decrease of claims on banks and other financial inst,	917,405,411	(628,161,353)
Increase of miscellaneous claims	(630,373,485)	(702,021,701)
Increase of currency in circulation	5,747,705,992	2,135,589,197
Increase/Decrease of Government deposits	(17,504,075,959)	20,350,849,327
Decrease of deposits of banks and other fin, Institutions	(88,172,280)	(2,461,423,593)
Increase of other credits	2,229,214,791	97,392,121
Increase of foreign exchange commitments	21,646,369,742	17,041,921,579
Cash flow from operations	4,319,333,708	29,415,040,081
Investment activities		
Acquisition of equity securities	(160,000,000)	(40,000,000)
Acquisition of fixed assets	(793,032,907)	(282,380,616)
Disbursements for other fixed assets	(2,203,300,898)	(38,727,822)
Receipts from transfer of fixed assets	179,372,346	324,250,945
Cash flow relating to investment operations	(2,976,961,462)	(36,857,493)
Financing Operations		
Dividends paid to Government	(1,613,163,078)	(1,857,735,989)
Emoluments of Board members	(12,629,391)	-
Cash flow allocated to financing operations	(1,625,792,469)	(1,857,735,989)
Net change of cash flow	(283,420,223)	27,520,446,599
Cash flow at opening	124,610,100,763	97,089,654,164,
Cash flow at closing	124,326,680,540	124,610,100,763

NOTES

1. SIGNIFICANT ACCOUNTING PRINCIPLES

a) Preparation base

The financial statements were prepared on the basis of the principle of historical cost.

b) Recording of incomes and expenses

Income and expenditure are recorded during the period in which they are produced.

c) Tangible and intangible assets

Tangible assets are included in the balance sheet at their net value, i.e. at their purchase costs less total depreciation. Depreciation levels are determined on linear basis. Depreciation rates are determined by the Board of Directors of NBR.

The depreciation rates currently applied for each category of fixed assets are as follows:

Buildings	5-10 %
Computer equipment	25 %
Machinery	20 %
Rolling stock	33,3 %
Furnishing articles	20 %
Equipment and furniture	10 %

Other fixed assets are depreciated at the following rates:

Cost of printing banknotes	20 %
Cost of minting coins	20 %
Computer software	25 %
Major repairs	33,3 %

d) Stocks of consumables

Stocks of consumables are assessed on the basis of their weighted average cost. Provisions are constituted for all depreciations and obsolescence of this kind of stocks.

e) Foreign currency transactions

Foreign currency transactions are recorded in RWF on the basis of the average exchange rate ruling on the day they are carried out. The exchange value in RWF of foreign currency assets and liabilities are adjusted daily in the light of the changes in the exchange rates. Negative and positive differences produced by these exchange rate fluctuations are directly entered in a profit and loss account.

Elements of assets and liabilities expressed in foreign currency and appearing in the closing balance sheet are therefore converted into Rwandan francs on the basis of the average exchange rate ruling on the closing day.

f) Pension fund

In conformity with the social security laws in Rwanda, NBR pays contributions to Rwanda National Social Security Fund for its employees. These contributions represent 8% of gross salaries; 3% being contributed by the employees and 5% by the employer. The share of NBR is directly charged at the time of the recording of monthly salaries. NBR has also taken out protection

insurance for its employees with a local insurance company. Employees contribute one third to this insurance while the remaining two-thirds are directly paid by the employer.

g) Bad debts

Specific provisions for bad debts of former employees are constituted every time these employees stop repayments. Provisions for other debts are constituted when the Bank considers them unrecoverable. The Bank complies with directive No. 03/2000 of 29.03.2000 relating to the classification of assets and follow up of commitments by banks and other financial institutions.

h) Costs of printing banknotes

Starting from 2003, the cost of printing banknotes and minting coins will be spread over a period of 5 financial years. This decision was taken considering the amount of the costs for replacing banknotes and coins to be demonetized.

i) Cash flow

NBR's cash flow consists of cash holding in foreign currency and its foreign exchange claims.

j) Taxes

Pursuant to Article 71 of the law establishing the Statute of National Bank of Rwanda, the Bank is exempted from tax on profits in the exercise of its statutory missions. Thus after transferring an amount equal to 20% of its net profits to the General Reserve Fund and constituting all the provisions it considers necessary, the rest of the net profits is paid into the Government Treasury account.

k) Financial statements are prepared on the basis of RWF units.

	2003	2002
2. FOREIGN CLAIMS		
Assets in US\$	17,009,324,065	5,153,751,739
Fixed term investments	42,858,619,136	59,431,488,079
Other foreign exchange investments	23,484,207,191	14,570,496,729
Sight assets	36,074,968,160	39,135,527,699
Other foreign exchange assets	4,292,982,696	6,202,504,034
	123,720,101,248	124,493,768,280

3. SUBSCRIPTION TO THE INTERNATIONAL MONETARY FUND

The subscription to the International Monetary Fund represents the capital of the Government of Rwanda as a member of IMF. It is equal to 80,100,000 SDR and was valued in RWF on the basis of the average SDR exchange rate ruling as at 31 December 2003.

4. CLAIMS ON GOVERNMENT AND RELATED ITEMS

Government consolidated debt	42,427,901,970	42,911,850,893
Overdraft on Govt. Treasurer's account (OTR)	1,488,861,842	
Public enterprises	-	138,541,376
	43,916,763,812	43,050,392,269

On 7 February 1996, NBR signed an agreement with the Government with a view to consolidating all the advance accounts granted to it up to end 1994 and consolidate this debt at an interest rate of 2% per year. These accounts amounted to RWF 34,458 million. As at 31 August 1997, pursuant to Article 79 of the law No. 11/97 establishing the Statute of NBR, the balance of this consolidated debt account was increased to RWF 43,439 million by the incorporation of the balance of the revaluation account of RWF 9,011 million. As per the agreement, the Government of Rwanda started repaying this debt in 2002. As at 31.12.2003, it had repaid an amount equivalent to RWF 1,012 million.

	2003	2002
5. ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS		
Correspondent accounts	144,594,207	176,982,157
Financing	1,424,230,683	2,309,248,144
	1,568,824,890	2,486,230,301

Correspondent accounts opened with commercial banks are practically no longer operational since 1995. The balance of RWF 144 million was to a large extent due to the claim on National Post Office. NBR continued to manage several lines of credit granted to the Government by external donors. In 2003, it created a new credit line relating to the refinancing facility of agricultural and agro-industrial activities.

6. STOCKS OF CONSUMABLES

Total stocks	150,320,704	119,998,837
Provisions for depreciation	(32,879,483)	-
	117,441,221	119,998,837

7. MISCELLANEOUS CLAIMS

Claims on employees	2,160,525,347	1,875,611,314
Adjustment accounts	911,042,361	547,385,873
Other claims	144,245,233	214,437,233
Provision for unrecoverable debts	(255,843,548)	(310,396,128)
	2,959,969,393	2,327,038,292

Claims on employees include mainly loans for construction of houses, purchase of vehicles and salary advances. Adjustment accounts relate to suspense and closing entries.

8. OTHER FIXED ASSETS

	Cost of printing banknotes	Cost of minting coins	Computer software	Major repairs	Capital costs	Total
COST						
As at 1st January 2003	-	-	324,032,614	205,735,871	-	529,768,485
Purchases	1,777,452,621	254,870,345	135,434,341	-	35,543,591	2,203,300,898
Transfers/Displacements	-	-	-	(205,735,871)	-	(205,735,871)
As at 31st December 2003	1,777,452,621	254,870,345	459,466,955	-	35,543,591	2,527,333,512
DEPRECIATION						
As at 1st January 2003	-	-	164,700,369	205,735,871	-	370,436,240
Allowances to depreciation	207,369,472	8,495,678	111,165,794	-	-	327,030,944*
Transfers/Displacements	-	-	-	(205,735,871)	-	(205,735,871)
As at 31 December 2003	207,369,472	8,495,678	275,866,163	-	-	491,731,313
NET BOOK VALUE						
As at 31 December 2003	1,570,083,149	246,374,667	183,600,792	-	35,543,591	2,035,602,199
As at 31.12.2002			159,332,245	-	-	159,332,245

* Including the depreciation of 13,741,356 RWF as a result of transferring to this item equipment which had been entered in the computer software account in the previous years.

9. TANGIBLE ASSETS

	Buildings	Machinery	Vehicles	Equipment and Furniture	Computer equipment	Advance on order for capital assets	Total
COSTS							
As at 1st January 2003	1,806,871,380	513,170,479	357,983,693	456,159,322	515,533,576	83,484,161	3,733,202,611
Purchases	183,073,601	261,932,487	2,000,000	95,646,703	77,324,377	173,055,739	793,032,907
Transfers/Displacements	(31,979,045)	(102,450)	(39,270,309)	(15,912,938)	(18,971,360)	-	(106,236,102)
As at 31 December 2003	1,957,965,936	775,000,516	320,713,384	535,893,087	573,886,593	256,539,900	4,419,999,416
DEPRECIATION							
As at 1st January 2003	1,729,141,021	462,218,869	292,060,207	320,650,381	413,866,385	-	3,217,936,863
Allowances to depreciation	23,813,181	72,339,605	30,189,293	48,583,344	66,205,204	-	241,130,664
Transfers/Displacements	(27,232,985)	(80,370)	(39,270,309)	(14,528,415)	(17,946,491)	-	(99,058,570)
As at 31st December 2003	1,725,721,217	534,478,104	282,979,191	354,705,310	462,125,135	-	3,360,008,957
NET BOOK VALUE							
As at 31st December 2003	232,244,719	240,522,412	37,734,193	181,187,777	111,761,458	256,539,900	1,059,990,459
As at 31st December 2002	77,730,359	50,951,610	65,923,486	135,508,941	101,667,191	83,484,161	515,265,748

N.B.: The item Equipment and Furniture concerns equipment and furniture, dispensary equipment and furnishing articles.

10. EQUITY SECURITIES	2003	2002
Equity with SIMTEL	200,000,000	40,000,000
11. CURRENCY IN CIRCULATION		
Minted coins and printed banknotes	54,672,547,224	65,777,992,224
Currency in reserve	(10,984,015,000)	(18,270,550,000)
Cash balance at National Bank of Rwanda	(7,221,408,960)	(16,788,024,952)
	36,467,123,264	30,719,417,272
Cash balance at NBR represents banknotes and coins deposited at NBR by various clients and not NBR's own assets. What is called " Cash " on the assets side of the balance sheet relates to foreign banknotes in its possession.		
12. GOVERNMENT DEPOSITS AND RELATED ITEMS		
Government Treasurer's account (OTR)	-	4,795,390,141
Deposits of Ministries and other Government projects	12,495,674,335	18,361,555,604
Special funds	1,539,105,698	1,810,491,309
Local communities	404,351,925	55,876,911
Government institutions	503,398,465	1,105,761,602
Public enterprises	415,426,718	340,563,587
Provisions consisting for opened documentary credits	52,830,231	251,324,772
Government foreign currency deposits	18,018,379,161	24,212,261,979
Government accounts in convertible RWF	31,148,096	31,164,683
	33,460,314,629	50,964,390,588
13. BANKS AND OTHER FINANCIAL INSTITUTIONS		
Deposits in RWF	6.537.925.479	7.450.352.928
Loans on money market	-	1,058,261,033
Deposits in foreign currency	4,890,887,280	3,588,650,078
Foreign currency to deliver	580,279,000	-
	12,009,091,759	12,097,264,039
14. COMMITMENTS TO INTERNATIONAL MONETARY FUND		
Deposits of International Monetary Fund	68,021,328,022	55,173,883,514
Structural loan accounts	52,508,545,457	43,012,026,083
Special Drawing Rights allowances	11,629,650,157	9,433,114,302
	132,159,523,636	107,619,023,899
15. OTHER FOREIGN EXCHANGE COMMITMENTS		
Overdraft at National Bank of Belgium	5,448,433,988	8,069,075,466
Deposits for non residents in convertible RWF	118,362,918	133,487,010
Deposits for non residents in foreign currency	644,869,837	903,234,262
	6,211,666,743	9,105,796,738

IMF accounts are held in SDR. As such, they are revalued daily like all other foreign currency accounts. At the end of the financial year, they are valued in RWF based on the average exchange rate of SDR ruling at the date. The SDR allowances account represents the amount of cash foreign currency given to Rwanda by IMF. In principle, as long as Rwanda remains a member of IMF, this amount is not repayable. However, NBR pays quarterly commissions on these allowances at the rate equal to the one applicable to cash credits granted by the same institution.

16. OTHER CREDITS	2003	2002
Staff accounts	93,222,032	54,182,544
Non statutory accounts in RWF	940,164,579	1,046,136,820
Non statutory accounts in foreign currency	512,067,500	498,666,218
Orders to settle	3,434,472,380	1,540,257,196
Other amounts to pay and equalization account	2,305,319,061	1,916,787,983
	7,285,245,552	5,056,030,761

17. SHARE CAPITAL		
Approved, issued and fully paid up	2,000,000,000	2,000,000,000

The share capital was fixed at RWF two billion since 1997 pursuant to Article 6 of the law establishing the Statute of the Bank. It is fully subscribed by the Government of Rwanda.

18. GENERAL RESERVE FUND		
Carried forward to 1st January	5,553,312,564	4,920,603,964
Profits from previous financial year	2,654,682,178	3,163,542,998
Paid out dividends	(1,613,163,078)	(1,857,735,989)
Emoluments of the members of the Board of Directors	(12,629,391)	-
Endowments to the Social Fund	(285,578,699)	(420,014,969)
Provision for exchange rate fluctuations	(212,374,574)	(253,083,440)
Balance as at 31st December	6,084,249,000	5,553,312,564

Pursuant to Article 65 of law No. 11/97 establishing the Statute of NBR, 20% of these profits must be entered on the General Reserve Fund account.

19. OTHER RESERVES

	Cost of printing banknotes	Social Fund	Reserves for exchange rate fluctuations	On-going lawsuits	On-going disputes	Total 2003	Total 2002
Balance as at 1st January	718,049,720	1,084,946,371	850,258,255	50,000,000	-	2,703,254,346	2,235,386,543
Profits allocation		285,578,699	212,374,574	-	-	497,953,273	673,098,409
Allowances at the closing of the year	-	-	-	-	46,729,747	46,729,747	-
Renewal of reserves	(192,655,930)					(192,655,960)	(205,230,606)
As at 31st December 2003	525,393,760	1,370,525,070	1,062,632,829	50,000,000	46,729,747	3,055,281,406	2,703,254,346

20. BANKING PRODUCTS

	2003	2002
Interests on loans in RWF	1,235,799,554	1,250,013,186
Income on foreign currency assets	2,302,159,683	2,240,365,383
Commissions on services rendered	123,645,898	173,086,886
Depreciation/Appreciation of foreign assets	56,826,287	(78,299,040)
	3,718,431,422	3,585,166,415

21. INCOME ON EXCHANGE OPERATIONS

Profits on foreign exchange arbitrage	1,526,847,113	971,653,052
Gains on exchange	776,822,355	584,595,048
	2,303,669,468	1,556,248,100

22. BANKING CHARGES

Interests on domestic loans	279,520,193	208,503,880
Interests on foreign loans	662,442,070	638,331,242
Commissions paid on services rendered	82,148,072	73,221,843
Charges on exchange operations	101,789,779	86,580,878
Other banking charges	61,307,520	205,230,606
	1,187,207,634	1,211,868,249

23. ADMINISTRATIVE EXPENSES

Wage costs	2,581,316,506	2,073,304,708
Payment for external services	45,293,745	92,292,716
Travel and training	150,141,398	227,508,379
Other social costs	228,375,733	183,096,420
	3,005,127,382	2,576,202,223

24. ENDOWMENTS TO PROVISIONS ACCOUNTS

Misappropriations and thefts	-	1,404,236
Bad debts	-	657,354
Claims on former employees	16,118,966	6,647,934
Provisions for disputes	46,729,747	-
Provisions for stock depreciation	32,879,483	-
Other provisions	87,628	-
Balance at closing	95,815,824	8,709,524

25. DETERMINATION OF MAIN MANAGEMENT CHARACTERISTIC BALANCES

Heading	2003	2002
Interests and related products earned on RWF operations	1,235,799,554	1,250,013,186
Interests and related products earned on for. exch. operations	2,302,159,683	2,240,365,383
Interests and related charges paid on RWF operations	(279,520,193)	(208,503,880)
Interests and related charges paid on for. exch. operations	(662,442,070)	(638,331,242)
Cost of credit risks	(16,118,966)	(6,647,934)
Net interests	2,579,878,008	2,636,895,513
Profits-losses on foreign exchange operations	2,201,879,689	1,469,667,222
Net commissions on service delivery	44,136,386	99,865,043
Other banking products-charges	566,440,704	91,685,632
Net banking products	5,392,334,787	4,298,113,410
Administrative expenses	(3,005,127,382)	(2,576,202,223)
Other operating charges	(501,606,467)	(465,850,508)
Depreciation of other fixed assets	(313,289,588)	(83,650,711)
Depreciation of tangible assets	(241,130,670)	(218,600,005)
Results of operations	1,331,180,680	953,809,963
Profits/losses on tangible assets	172,194,814	309,129,115
Profits on exchange rate fluctuations	3,959,547,581	1,391,743,100
PROFITS FOR THE FINANCIAL YEAR	5,462,923,075	2,654,682,178

26. DISTRIBUTION OF PROFITS

	Profits for 2003 financial year	Profits for 2002 financial year	Profits for 2001 financial year
Endowments to Social Fund	180,405,059	285,578,699	420,014,969
Endowments for exchange rate fluctuations	3,959,547,581	212,374,574	253,083,440
Payment to Treasurer (OTR)	1,007,261,581	1,613,163,078	1,857,735,989
Emoluments of Board members	15,033,755	12,629,391	-
Endowments to General Reserve Fund	300,675,099	530,936,436	632,708,600
Profits for the financial year	5,462,923,075	2,654,682,178	3,163,542,998

At its meeting held on 28.03.2003, the Board of Directors of NBR decided that all exchange rate fluctuations profits should be entered on the exchange rate fluctuations Provisions account. Thus the result to be allocated became RWF 1,503,375,494. Pursuant to law No. 11/97 establishing the Statute of NBR, a proportion equivalent to 20% of this amount will be allocated to the General Reserve Fund and, as usual, an allowance equivalent to 15% of the balance to be distributed will be allocated to the Social Fund of the Bank.

27. CASH FLOW

The cash flow in the table below comprises the following balances:

	2003	2002
Cash in foreign currency	606,579,292	116,332,483
Foreign claims	123,720,101,248	124,493,768,280
Balance at closing	124,326,680,540	124,610,100,763

28. NET FOREIGN EXCHANGE POSITION

	2003	2002
Subscription to International Monetary Fund	68,010,146,550	55,164,813,930
Petty cash	606,579,292	116,332,483
Foreign claims	123,720,101,248	124,493,768,280
Foreign commitments	(6,211,666,743)	(9,105,796,738)
Commitments to International Monetary Fund	(132,159,523,636)	(107,619,023,899)
Net position	53,965,636,711	63,050,094,056

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current GDP (in millions of RWF)	336,489	426,175	563,416	627,342	633,299	683,368	736,566	815,762	939,724
of which : Primary Sector. as % of GDP	44.4	47.1	45.7	45.3	40.8	40.8	41.3	43.4	43.9
Secondary Sector. as % of GDP	16.0	17.9	18.3	18.3	19.5	19.3	19.3	18.7	18.3
Tertiary Sector. as % of GDP	40.3	34.6	35.1	35.4	39.6	39.8	39.2	37.5	37.0
GDP at 1995 constant prices (in millions of RWF)	336,489	386,560	441,981	482,658	513,890	548,911	580,848	635,528	657,336
Growth rate (in %)	33.5	14.9	14.3	9.2	6.5	6.8	5.8	9.4	3.4
of which : Primary Sector	27.4	19.9	4.3	10.7	8.5	8.8	6.7	15.1	0.8
Secondary Sector	53.4	22.0	18.3	9.7	7.3	4.4	9.3	6.2	5.1
Tertiary Sector	37.8	3.1	24.5	7.1	7.3	5.5	2.3	3.9	6.5
Inflation Rate	99.0	7.4	12.0	6.2	-2.4	3.9	3.4	2.0	7.45
Real GDP per capita (USD)	204	225	266	274	252	210	199	206	206
APPROPRIATION OF GDP (constant) in %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Private consumption	100.6	93.4	99.0	95.4	91.5	87.2	86.3	98.1	90.5
Public consumption	9.2	10.4	8.8	8.5	8.5	7.2	7.6	7.3	7.4
Gross domestic investment	13.5	15.2	15.7	16.2	18.0	18.1	18.6	18.3	18.3
Resources balance	-23.3	-19.1	-23.5	-20.0	-18.0	-12.6	-12.5	-23.6	-16.2
Current balance (+net transfers). in % of GDP	4.4	-0.7	-3.2	-6.3	-3.8	-0.4	-0.4	-7.6	-6.9
Gross foreign reserves. in months of imports of goods and non factor services (G&NFS)	3.8	5.0	5.0	4.7	4.7	5.4	6.2	6.7	6.0
Tax revenues. in % of GDP	6.4	8.5	9.7	9.9	9.4	9.5	11.0	11.6	13.0
Budgetary grants. as % of GDP	11.4	7.4	6.7	5.3	6.2	9.4	8.7	8.7	5.5
Public expenditure. as % of GDP	20.6	22.3	19.5	18.7	20.2	20.0	21.7	23.6	29.7
of which - current expenditure	12.5	13.1	11.4	12.0	13.7	13.8	14.8	16.5	17.5
- capital expenditure	8.1	9.2	8.2	6.7	6.5	6.2	6.9	7.1	12.0
Budget deficit (cash basis). as % of GDP	1.6	-3.5	-2.2	-6.5	-4.8	-1.4	-5.0	-3.0	-4.4
Outstanding external debt (in millions US\$)	969.1	990.4	1,019.4	1,128.0	1,174.3	1,153.1	1,145.8	1,299.94	1,544.5
External debt service as % of export earnings	57.0	44.4	32.9	37.1	46.9	40.9	34.9	55.0	59.0

Source: NBR. Department of Research

GROSS DOMESTIC PRODUCT BY SECTOR OF ACTIVITIES (Nominal)
(in millions of RWF at 1995 constant prices)

Table 2

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	149 224	200 144	256 608	282 893	256 915	276 797	300 325	349 943	410 519
Food crops	123 826	161 904	215 076	243 963	214 939	233 667	247 103	297 321	351 344
Export crops	8 621	6 620	8 320	6 637	7 667	7 143	8 236	5 872	4 784
of which: Coffee	8 379	5 834	7 270	5 264	6 224	5 530	6 275	3 736	2 500
Livestock	11 040	23 363	25 880	24 066	24 369	24 883	32 854	34 496	40 374
Fisheries	922	1 410	1 571	1 326	1 696	1 496	1 724	1 741	1 992
Forestry	4 815	6 846	5 762	6 901	8 244	9 608	10 408	10 512	12 026
Industry	54 182	76 676	103 870	116 177	124 881	134 060	145 444	156 521	174 459
Mining and quarrying	326	462	806	1 346	1 355	1 965	3 628	3 918	2 373
Manufacturing	34 661	48 965	66 558	68 762	67 814	67 912	74 084	77 674	77 458
including: foods, beverages and tobacco	29 897	42 402	57 572	58 300	55 846	54 810	59 302	61 496	60 133
Others	4 764	6 563	8 987	10 462	11 968	1 302	14 782	16 178	17 325
Electricity, gas and water	939	1 498	2 889	4 548	4 231	3 745	5 324	5 537	6 403
Construction	18 257	25 751	33 617	41 522	51 480	60 439	62 409	69 392	88 225
Services	135 752	147 280	197 792	222 267	250 696	271 877	288 537	305 805	347 986
Wholesale and retail trade, rest. and hotels	47 071	42 080	57 649	64 471	69 858	70 572	75 506	81 313	95 949
Transport, storage, & communication	13 979	16 354	23 179	29 853	41 750	49 687	54 710	58 982	60 434
Finance, insurance, real estate business	7 346	8 065	12 549	14 749	17 527	21 841	22 341	23 977	28 652
Public administration	22 400	30 167	40 151	41 656	47 178	52 784	55 582	57 000	61 960
Non profit making institutions	6 343	6 934	7 470	7 601	7 512	7 337	7 330	7 323	8 940
Others	38 614	43 678	56 794	63 937	66 872	69 656	73 068	77 210	92 052
Minus: Production attributable to banking services	9 578	8 599	8 304	8 949	10 462	10 986	11 698	13 219	15 796
Plus: Taxes on imports	6 909	10 675	13 450	14 953	11 270	11 619	13 956	16 711	22 555
Gross Domestic Product	336 489	426 175	563 416	627 342	633 299	683 368	736 566	815 762	939 724

Source: MINECOFIN, Department of Statistics

GROSS DOMESTIC PRODUCT BY SECTOR OF ACTIVITIES (Real)
(in millions RWF at constant prices. 1995)

Tableau 3

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	149 224	178 940	186 340	205 811	223 502	243 236	259 384	298 931	301 412
Food crops	123 826	146 473	153 714	171 258	185 263	204 177	217 644	255 243	257 795
Export crops	8 621	6 381	6 287	6 259	7 806	6 842	7 820	8 231	6 140
of which: Coffee	8 379	5 834	5 665	5 446	7 182	6 144	6 972	7 471	5 298
Livestock	11 040	18 183	19 095	20 240	21 486	22 859	23 813	25 083	26 688
Fisheries	922	1 112	1 316	1 532	1 762	1 813	1 958	1 978	2 057
Forestry	4 815	6 792	5 929	6 521	7 185	7 545	8 148	8 397	8 733
Industry	54 182	66 163	78 526	86 595	92 692	96 799	105 899	112 309	117 749
Mining and quarrying	326	444	778	1 278	1 113	1 208	1 408	1 328	1 160
Manufacturing	34 661	40 059	47 832	49 792	48 094	45 547	49 401	52 327	48 799
of which: foods, beverages and tobacco	29 897	34 311	40 928	42 284	40 510	37 945	40 798	43 033	39 735
Others	4 764	5 748	6 904	7 508	7 584	7 602	8 602	9 294	9 065
Electricity, gas and water	939	826	1 109	1 706	1 601	1 415	2 054	2 389	2 759
Construction	18 257	24 835	28 808	33 819	41 884	48 628	53 037	56 265	65 031
Services	135 752	140 025	174 310	186 623	200 232	211 243	216 040	224 368	238 928
Wholesale and retail trade, rest. and hotels	47 071	36 856	45 908	48 943	48 853	47 275	46 933	49 345	54 064
Transport, storage & communication	13 979	16 602	21 030	26 764	34 827	38 967	42 453	45 339	44 242
Finance, insurance, real estate business	7 346	7 800	10 364	11 705	13 248	17 804	17 131	17 893	19 854
Public administration	22 400	29 997	41 890	40 206	42 833	44 387	44 552	45 166	47 666
Non profit making Institutions	6 343	6 332	6 107	6 015	4 974	4 728	4 492	4 267	4 073
Others	38 614	42 438	49 011	52 991	55 497	58 082	60 480	62 358	69 030
Minus: Production attributable to banking services	9 578	8 316	8 192	8 203	9 999	9 855	10 153	11 250	12 483
Plus: Taxes on imports	6 909	9 748	10 996	11 832	7 463	7 487	9 679	11 171	11 729
Gross Domestic Product	336 489	386 560	441 981	482 658	513 890	548 911	580 848	635 528	657 336

Source: MINECOFIN, Department of Statistics

EXPENDITURE AND RESOURCES OF GDP (nominal)

Table 4

(in millions of RWF at current prices)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Final consumption	369 502	452 716	585 886	632 143	632 297	677 350	736 079	815 326	936 592
Public administration	30 942	44 113	49 899	54 453	61 237	60 945	69 568	75 805	86 829
Private consumption (including change of stocks)	338 560	408 603	535 987	577 690	571 060	616 405	666 512	739 521	849 963
Gross Domestic Investment	45 476	60 949	77 035	91 999	111 126	122 659	127 705	147 345	165 960
Gross fixed capital formation	45 476	60 949	77 035	91 999	111 126	122 659	127 705	144 345	165 960
Construction	33 344	47 032	61 398	76 214	95 594	111 838	116 312	129 106	150 303
Capital goods (durable goods)	12 131	13 917	15 638	15 785	15 532	10 821	11 393	15 239	15 657
Resource balance	-78 489	-87 490	-99 505	-96 800	-110 123	-116 641	-127 220	-143 909	-162 828
Exports (G&NFS)	19 546	25 503	43 414	34 685	37 769	42 923	63 554	63 058	70 917
Goods (fob)	14 854	18 919	28 030	20 032	20 708	26 926	41 328	31 988	42 201
Non factor services	4 692	6 584	15 384	14 654	17 061	15 998	22 226	31 070	28 716
Imports (G&NFS)	98 035	112 993	142 919	131 486	147 892	159 565	190 774	206 967	233 744
Goods (fob)	57 449	67 026	83 647	72 653	83 071	81 331	107 178	111 094	125 519
Non factor services	40 586	45 967	59 272	58 833	64 821	78 234	83 596	95 873	108 226
Gross Domestic Product	336 489	426 175	563 416	627 342	633 299	683 368	736 564	815 762	939 724

EXPENDITURE AND RESOURCES OF GDP (real)

(in millions of RWF at constant prices. 1995)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
Final consumption	369 502	401 402	476 729	501 140	513 795	518 514	545 288	669 577	643 527
Public administration	30 942	40 351	38 974	40 870	43 773	39 604	43 891	46 433	48 375
Private consumption (including change of stocks)	338 560	361 051	437 754	460 270	470 022	478 910	501 397	623 144	595 152
Gross Domestic Investment	45 476	58 942	69 303	78 014	92 722	99 490	108 190	116 186	120 583
Gross fixed capital formation	45 476	58 942	69 303	78 014	92 722	99 490	108 190	116 186	120 583
Construction	33 344	45 358	52 614	62 075	77 775	89 983	98 845	104 682	109 298
Capital goods (durable goods)	12 131	13 584	16 689	15 939	14 948	9 507	9 344	11 504	11 286
Resource balance	-78 489	-73 784	-104 051	-96 497	-92 627	-69 093	-72 629	-150 233	-106 774
Exports (G&NFS)	19 546	25 414	31 239	27 996	31 679	22 451	32 622	33 853	32 939
Goods (fob)	14 854	19 552	18 912	16 221	19 320	13 003	18 935	14 749	17 418
Non service factors	4 692	5 861	12 327	11 775	12 359	9 448	13 687	19 104	15 521
Imports (G&NFS)	98 035	99 197	135 290	124 492	124 306	91 544	105 250	184 086	139 713
Goods (fob)	57 449	57 962	78 782	65 738	66 341	39 629	51 962	128 245	79 636
Non factor services	40 586	41 235	56 508	58 754	57 965	51 915	53 288	55 841	60 077
Gross Domestic Product	336 489	386 560	441 981	482 658	513 890	548 911	580 849	635 529	657 336

Source: MINECOFIN, Department of Statistics

CONSUMER PRICE INDEX

Table 5

(Kigali city. end of period. March-June - 1982 = 100)

Description		1995	1996	1997	1998	1999	2000	2001	2002	2003
Weighings										
IMPORTED PRODUCTS										
Foodstuffs	9796	397.40	464.78	494.31	493.98	461.45	456.34	481.38	514.68	614.04
Beverages and tobacco	891	346.16	319.81	388.95	390.87	501.64	570.61	605.87	647.87	985.10
Clothing	9300	357.86	434.42	481.23	500.15	544.75	551.95	585.72	610.81	631.79
Household maintenance	2250	431.90	490.65	469.66	477.07	500.93	504.66	514.22	514.14	558.43
Medical care	1271	681.07	687.20	675.06	676.57	727.32	721.18	782.50	854.14	878.93
Other medical care and hygiene	2340	299.32	320.84	358.99	376.04	372.54	375.53	410.56	444.75	458.11
Accommodation	2913	327.42	359.20	364.39	382.43	391.37	402.89	387.32	392.42	393.31
Transport and communication	7155	836.19	820.53	823.69	819.89	840.68	886.27	890.00	905.92	934.59
Entertainment and leisure	941	210.29	209.25	199.40	201.16	212.17	220.69	241.45	267.45	259.26
Miscellaneous	464	520.43	614.01	621.57	622.25	620.31	638.73	665.85	687.12	711.98
INDEX FOR THE GROUP	37321	467.39	509.24	531.87	538.85	551.95	564.34	585.38	610.36	659.71
MIXED PRODUCTS										
Foodstuffs	1289	499.50	586.09	607.08	620.75	761.38	875.69	966.01	811.53	864.87
Beverages and tobacco	7235	347.02	347.02	376.76	350.52	402.97	419.60	424.63	407.19	486.67
Clothing	2037	272.18	387.96	426.41	494.10	542.18	576.99	602.46	616.42	616.42
Household maintenance	293	477.60	583.34	449.12	514.23	531.17	519.79	506.17	517.23	521.09
Other medical care and hygiene	1116	416.91	392.99	393.12	374.04	390.20	390.29	379.80	431.46	433.02
Accommodation	5981	436.46	459.76	481.29	489.73	540.85	520.89	535.82	558.84	563.97
Entertainment and leisure	12	159.71	174.55	174.55	174.55	207.28	223.41	339.40	357.83	375.28
Miscellaneous	12	200.00	200.00	200.00	200.00	400.00	400.00	400.00	400.00	400.00
INDEX FOR THE GROUP	17975	385.48	412.81	435.63	436.48	491.49	503.52	519.08	513.62	551.32
LOCAL PRODUCTS										
Foodstuffs	23846	393.97	434.30	647.60	487.36	438.88	510.84	443.71	535.06	583.46
Beverages and tobacco	1125	239.54	258.63	242.64	293.47	491.45	493.89	510.99	543.80	543.82
Household maintenance	5876	318.43	358.72	411.65	396.15	397.56	401.81	404.76	388.93	455.25
Medical care	431	594.70	450.52	544.71	544.71	666.42	666.42	671.13	666.42	666.42
Other medical care and hygiene	83	981.16	1168.82	1168.82	1132.40	1248.85	1552.78	1549.83	1559.93	1559.93
Accommodation	4286	272.90	249.47	297.11	355.40	375.85	409.08	420.58	442.26	442.26
Transport and communication	3134	292.85	295.35	312.80	312.80	361.23	410.75	468.66	468.66	492.91
Entertainment and leisure	268	470.80	484.33	484.33	482.28	703.82	1004.85	1147.38	1186.57	1186.57
Miscellaneous	5655	188.92	245.11	281.26	342.75	345.14	349.00	369.58	382.57	382.76
INDEX FOR THE GROUP	44704	339.01	370.37	501.98	429.03	416.71	465.23	438.90	490.30	526.56
ALL PRODUCTS										
Foodstuffs	34931	398.83	448.45	603.12	494.14	457.11	509.02	473.54	539.55	602.42
Beverages and tobacco	9251	333.87	333.65	361.63	347.47	423.23	443.18	452.59	446.98	541.63
Clothing	11337	342.46	426.08	471.38	499.19	544.29	556.45	588.73	611.82	629.03
Household maintenance	8419	354.30	401.80	428.46	421.89	429.84	433.40	437.54	426.86	485.12
Medical care	1702	659.20	627.26	642.05	643.18	711.90	707.31	754.30	807.19	825.12
Other medical care and hygiene	3539	352.39	363.48	388.75	393.15	398.66	407.79	427.58	466.71	476.04
Accommodation	13180	359.17	369.15	395.56	422.33	454.16	458.45	465.53	484.15	486.67
Transport and communication	10289	670.69	660.57	668.07	665.43	694.64	741.42	761.66	772.73	800.05
Entertainment and leisure	1221	266.97	269.29	261.69	262.60	320.04	392.83	441.26	470.08	463.94
Miscellaneous	6131	214.03	272.94	306.85	363.63	366.07	371.03	392.06	405.65	407.71
GENERAL INDEX	100000	395.27	429.83	501.21	471.35	480.63	509.10	507.98	539.30	580.70

Source: NBR. Department of Research

MONETARY SURVEY (in millions of RWF: stocks at end of period) Table 6

RESOURCES		MONEY			QUASI-MONEY		MONEY		OTHER		TOTAL	
	CURRENCY IN CIRCULATION OFF BANKS	AT NBR	DEMAND DEPOSITS IN BANKS	TOTAL	DEPOSITS AT NBR	TIME DEPOSITS IN BANKS	FOREIGN CURRENCY DEPOSITS	TOTAL QUASI MONEY	MONEY SUPPLY (M2)	ITEMS NET	RESOURCES	TOTAL
Period												
1995	17 256.9	815.7	22 184.7	23 000.4	206.5	7 028.2	15 153.0	22 387.7	62 645.0	17 670.2	80 315.2	
1996	21 908.2	535.8	24 363.4	24 899.2	200.1	8 716.6	14 132.8	23 049.5	69 856.9	20 012.9	89 869.8	
1997	22 635.4	588.6	33 609.2	34 197.8	181.1	17 228.7	15 920.5	33 330.3	90 163.6	25 038.7	115 202.3	
1998	20 918.6	917.4	31 041.5	31 959.0	142.4	20 451.0	18 513.6	39 106.9	91 984.5	31 777.3	123 761.9	
1999	21 518.2	726.4	36 279.4	37 005.8	854.6	19 172.5	19 505.2	39 532.3	98 056.3	34 599.4	132 655.7	
2000	22 576.8	926.3	36 778.4	37 704.7	434.2	24 081.6	26 683.6	51 199.3	111 480.8	42 404.8	153 885.6	
2001	25 811.8	816.6	38 421.1	39 237.7	1 629.5	26 888.6	27 850.7	56 368.8	121 418.2	46 395.0	167 813.1	
2002	28 046.1	1 946.7	44 916.0	46 862.7	-	39 543.9	30 115.2	69 659.1	144 567.9	48 274.9	192 842.8	
2003	34 103.1	1 817.0	50 849.9	52 666.8	0.0	38 272.6	42 480.9	80 753.6	167 523.5	55 445.5	222 969.0	
2000												
January	18 729.8	804.5	37 590.1	38 394.6	620.1	17 514.2	19 782.0	37 916.3	95 040.7	32 010.5	127 051.1	
February	18 987.7	838.2	36 154.9	36 993.1	957.1	18 853.3	18 278.9	38 089.3	94 070.1	32 709.7	126 779.8	
March	19 779.5	752.2	36 588.1	37 340.3	848.1	19 203.3	19 183.8	39 235.2	96 354.9	30 800.9	127 155.8	
April	20 460.8	523.1	37 686.7	38 209.8	746.5	19 469.3	20 375.5	40 591.3	99 261.8	32 093.1	131 355.0	
May	21 143.6	548.0	35 683.2	36 231.2	659.9	20 891.2	19 941.6	41 492.7	98 867.5	29 190.5	128 058.0	
June	21 674.1	529.1	35 674.8	36 203.9	582.6	22 408.8	21 358.1	44 349.5	102 227.5	29 782.7	132 010.2	
July	21 090.7	672.0	35 741.6	36 413.7	408.7	21 571.0	22 866.2	44 846.0	102 350.3	33 016.4	135 366.8	
August	20 439.4	628.1	35 976.5	36 604.6	433.7	21 434.1	24 681.6	46 549.3	103 593.4	33 471.1	137 064.5	
September	20 064.0	619.7	34 173.5	34 793.2	281.1	21 211.0	23 560.8	45 052.9	99 910.1	37 256.5	137 166.7	
October	19 779.1	620.8	35 889.0	36 509.8	263.7	20 478.9	23 381.1	44 123.7	100 412.6	37 549.8	137 962.5	
November	19 358.8	511.9	35 574.2	36 086.1	387.7	22 086.6	26 311.3	48 785.6	104 230.6	38 636.7	142 867.3	
December	22 576.8	926.3	36 778.4	37 704.7	434.2	24 081.6	26 683.6	51 199.3	111 480.8	42 404.8	153 885.6	
2001												
January	21 201.6	560.3	38 919.2	39 479.5	744.6	24 398.5	29 151.7	54 294.9	114 976.0	39 191.9	154 167.9	
February	22 149.6	536.2	35 899.8	36 436.0	762.4	27 420.0	29 304.7	57 487.0	116 072.7	40 762.8	156 835.5	
March	22 426.7	498.0	34 078.0	34 576.0	1 061.5	28 018.0	27 913.4	56 992.8	113 995.5	38 599.6	152 595.2	
April	22 564.6	466.3	36 658.9	37 125.2	1 029.4	26 569.0	27 018.6	54 617.0	114 306.7	40 150.3	154 457.0	
May	23 129.7	434.8	37 187.4	37 622.1	1 103.3	26 951.3	28 902.2	56 956.8	117 708.6	40 609.3	158 317.9	
June	24 660.0	472.1	38 283.1	38 755.2	1 686.6	25 891.0	27 361.8	54 939.4	118 354.6	41 131.1	159 485.7	
July	24 545.8	907.9	37 646.3	38 554.2	1 738.1	23 256.2	28 169.7	53 164.0	116 263.9	42 016.3	158 280.2	
August	23 697.0	561.8	37 475.6	38 037.4	1 567.8	21 735.3	27 365.4	50 668.5	112 402.9	42 398.3	154 801.2	
September	22 847.3	747.8	37 519.7	38 267.5	1 360.3	22 279.3	30 504.4	54 144.0	115 258.9	44 702.7	159 961.6	
October	22 454.0	613.8	35 468.8	36 082.6	1 574.8	24 149.1	29 759.1	55 483.0	114 019.6	46 110.3	160 129.9	
November	22 315.1	1 140.3	36 765.9	37 906.1	1 560.1	25 050.1	29 093.0	55 703.2	115 924.5	45 952.7	161 877.2	
December	25 811.8	816.6	38 421.1	39 237.7	1 629.5	26 888.6	27 850.7	56 368.8	121 418.2	46 395.0	167 813.1	

Table 6 cont.

RESOURCES	MONEY			QUASI-MONEY			MONEY			OTHER	TOTAL
Period	CURRENCY IN CIRCULATION OFF BANKS	AT NBR	DEMAND DEPOSITS IN BANKS	TIME DEPOSITS AT NBR	TIME DEPOSITS IN BANKS	FOREIGN CURRENCY DEPOSITS	TOTAL QUASI MONEY	SUPPLY (M2)	ITEMS NET	RESOURCES	TOTAL
2002											
January	23 632.2	2 798.4	37 346.8	-	34 663.4	26 530.7	61 194.4	124 971.8	44 503.0	169 474.8	
February	23 737.9	1 828.5	37 723.9	-	35 371.9	27 392.4	62 764.5	126 054.8	43 153.0	169 207.8	
March	24 196.9	2 032.5	36 920.9	-	35 041.7	28 840.1	63 881.8	127 032.1	39 922.1	166 954.2	
April	23 730.6	2 999.2	38 540.9	-	34 844.0	26 998.0	61 842.0	127 112.7	40 549.8	167 662.5	
May	24 786.8	1 908.0	40 334.1	-	34 223.7	30 392.1	64 615.8	131 644.7	42 358.3	174 003.0	
June	25 909.9	2 297.2	38 833.4	-	37 899.3	28 522.8	66 422.1	133 462.6	38 754.2	172 216.8	
July	25 565.1	2 319.7	40 941.0	-	39 612.6	33 205.4	72 818.0	141 643.9	41 820.2	183 464.1	
August	25 646.6	2 004.3	41 460.9	-	38 876.7	32 833.5	71 825.2	140 937.0	41 486.2	182 423.2	
September	24 532.9	1 714.0	42 870.7	-	33 143.6	31 222.8	64 366.3	133 483.9	42 282.7	175 766.6	
October	24 938.5	1 925.3	40 398.5	-	42 253.3	31 621.2	73 874.6	141 136.9	45 324.9	186 461.8	
November	25 409.8	1 661.5	40 782.4	-	41 102.4	31 013.9	72 116.3	139 970.0	45 438.2	185 408.2	
December	28 046.1	1 946.7	44 925.6	-	39 552.8	30 115.2	69 659.1	144 567.9	48 274.9	192 842.8	
2003											
January	26 231.2	1 769.7	45 852.7	1 289.5	38 627.9	30 697.4	70 614.8	144 468.3	48 662.1	193 130.4	
February	26 996.5	2 886.1	44 851.3	0.0	40 722.0	32 151.5	72 873.5	147 607.4	46 275.5	193 882.9	
March	26 444.6	2 812.6	45 224.1	198.3	38 347.0	31 410.8	69 956.1	144 437.3	48 957.3	193 394.6	
April	26 570.3	3 202.2	45 313.5	0.0	39 100.8	32 442.9	71 543.7	146 629.8	48 558.3	195 188.1	
May	28 223.8	2 521.0	45 048.6	0.0	41 308.0	35 155.6	76 463.6	152 257.0	50 545.2	202 802.2	
June	29 365.8	1 953.4	49 068.5	0.0	29 397.7	37 699.2	67 097.0	147 484.7	53 793.9	201 278.6	
July	31 070.7	2 154.7	47 721.9	0.0	39 979.4	39 134.2	79 113.6	160 060.9	50 988.9	211 049.8	
August	30 812.3	1 944.5	49 276.6	0.0	37 506.6	39 993.5	77 500.0	159 533.4	50 944.7	210 478.1	
September	32 065.0	2 125.1	51 061.4	0.0	35 750.1	38 943.0	74 693.0	159 944.4	52 579.9	212 524.3	
October	30 548.1	2 077.3	48 086.9	0.0	41 252.9	42 081.7	83 334.6	164 046.8	52 641.6	216 688.4	
November	30 445.8	2 439.6	47 858.7	0.0	39 397.3	40 664.5	80 061.8	160 805.9	51 186.0	211 991.8	
December	34 103.1	1 817.0	50 849.9	0.0	38 272.6	42 480.9	80 753.6	167 523.5	55 445.5	222 969.0	

Source: Department of Research

Table 6 (Suite) Contd.

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Table 6 (Suite) contd.

Description	FOREIGN ASSETS		CLAIMS ON GOVERNMENT		CREDIT TO THE ECONOMY		TOTAL LIABILITIES
	GROSS ASSETS	GROSS LIABILITIES	NET ASSETS	CLAIMS	DEPOSITS	NET CREDIT	
2002							
January	123 412.6	52 400.1	71 012.4	54 267.7	30 000.2	24 267.5	172 544.7
February	121 007.0	52 076.7	68 930.3	54 724.3	29 336.1	25 388.2	171 440.1
March	121 160.8	51 953.5	69 207.4	54 873.2	32 317.0	22 556.2	169 339.2
April	119 722.6	53 736.7	65 985.9	57 830.7	31 626.7	26 204.0	170 143.4
May	115 896.8	54 174.1	61 722.6	64 182.6	29 589.8	34 592.8	176 578.9
June	130 101.8	59 449.7	70 652.1	53 391.5	32 151.7	21 239.8	174 485.8
July	132 351.9	57 288.5	75 063.4	58 351.0	29 744.9	28 606.1	186 207.9
August	136 797.8	61 620.2	75 177.6	54 205.7	28 659.8	25 545.9	184 543.8
September	131 520.8	58 215.4	73 305.4	55 722.7	33 988.1	21 734.5	177 984.1
October	134 523.5	59 104.4	75 419.1	59 560.0	30 361.9	29 198.1	188 614.6
November	134 717.4	59 699.5	75 017.8	63 287.6	35 715.9	27 571.6	187 692.2
December	163 868.9	60 269.6	103 641.6	57 319.4	54 743.7	2 578.2	194 941.0
2003							
January	165 585.0	60 939.5	104 645.4	56 694.6	52 285.9	4 408.7	195 745.1
February	162 972.0	60 877.0	102 095.0	61 464.1	53 385.4	8 078.8	196 615.5
March	162 936.6	60 051.1	102 885.5	56 477.2	45 346.8	11 130.3	197 947.3
April	160 797.1	63 431.6	97 365.5	62 180.4	41 630.9	20 549.5	200 389.0
May	169 164.5	65 419.2	103 745.3	59 211.8	40 468.9	18 742.9	207 061.6
June	172 649.4	68 908.0	103 741.4	62 672.6	51 545.8	11 126.8	206 313.4
July	170 580.7	70 096.2	100 484.5	63 377.6	40 827.3	22 550.3	215 907.7
August	158 210.8	64 409.9	93 800.9	65 634.2	40 131.8	25 502.4	215 053.4
September	156 300.7	65 769.1	90 531.6	67 515.1	41 491.9	26 023.2	217 029.7
October	161 356.1	67 405.5	93 950.6	66 620.6	39 351.6	27 269.0	221 631.6
November	163 781.5	68 081.8	95 699.7	58 093.7	39 860.4	18 233.4	215 888.5
December	174 100.5	69 962.9	104 137.6	58 778.6	38 435.1	20 343.4	226 570.9

Source : BNR, Department of Research

BALANCE SHEET OF NBR (in millions RWF, stocks at end of period)

Table 7

ASSETS Description	CORRESP BANKS	FOREIGN CURR. NOTES	ASSETS IN SDR	RESER. AT IMF	FOREIGN ASSETS INVEST. CONVERTIBLES RECEIVABLE	OVERDRAFT FOR. BANKS	CLAIMS ON GOVT. ENTER.	CLAIMS ON PUBLIC SECTOR	CLAIMS ON PRIVATE SECTOR	CLAIMS ON SAV. BANKS	LOANS MONEY	CLAIMS UNCLASSIFIED ON OFI	TOTAL ASSETS
1995	19 985.4	162.8	6 046.3	0.0	3 153.8	31.9	267.5	29 647.8	761.9	157.1	1 724.9	0.0	113 479.9
1996	20 844.7	336.8	5 522.5	0.0	4 740.8	678.2	310.7	32 433.6	729.5	252.8	152.7	0.0	112 740.5
1997	10 243.5	214.3	8 079.5	0.0	27 621.1	7.6	559.9	46 725.9	729.5	219.5	300.8	0.0	123 211.3
1998	11 139.3	226.3	8 070.0	0.0	33 104.6	1 015.2	742.5	54 297.9	729.5	341.6	908.0	0.0	133 184.8
1999	8 663.8	706.7	5 049.2	0.0	45 708.6	12.9	735.4	60 876.6	219.4	561.2	1 792.9	0.0	157 654.3
2000	18 215.4	457.9	490.4	0.0	62 107.8	4.0	794.1	82 069.6	149.4	1 112.2	1 845.7	800.0	182 819.7
2001	12 301.1	111.5	5 623.6	0.0	78 798.5	42.1	222.5	97 099.2	129.4	1 682.4	1 521.8	0.0	200 464.0
2002	44 515.1	116.3	5 153.8	0.0	59 431.5	593.4	319.2	124 699.7	129.4	2 090.9	1 235.8	1 000.0	232 878.7
2003	39 922.6	606.6	17 009.3	0.0	66 185.4	0.5	596.2	124 320.6	128.2	2 305.6	1 368.6	0.0	248 876.4
2000													
January	8 665.0	511.3	5 142.8	0.0	44 183.1	25.9	745.7	59 273.8	209.4	549.4	1 957.7	0.0	152 382.7
February	8 162.6	441.3	4 484.5	0.0	44 568.0	66.3	745.0	58 467.7	199.4	718.3	1 999.9	0.0	154 263.2
March	11 178.9	277.6	4 534.9	0.0	41 487.3	41.3	781.0	58 301.0	189.4	705.3	2 012.6	590.5	153 327.4
April	8 537.4	163.4	3 561.4	0.0	44 737.8	10.7	787.7	57 798.4	179.4	764.2	2 032.3	700.0	155 397.2
May	8 281.3	358.3	3 501.7	0.0	40 805.6	0.6	800.3	53 747.8	169.4	809.2	2 033.0	2 365.7	150 806.5
June	8 065.3	162.7	3 583.6	0.0	39 671.6	10.9	829.7	52 323.8	159.4	870.7	2 027.2	2 500.0	155 300.0
July	6 737.0	479.2	2 430.1	0.0	39 569.7	26.0	831.2	50 073.2	149.4	899.4	1 941.1	2 500.0	153 478.3
August	7 956.2	343.3	2 353.3	0.0	50 603.2	0.7	858.9	62 115.8	149.4	945.1	1 936.2	0.0	161 084.6
September	7 508.9	109.0	2 352.3	0.0	48 607.0	206.4	858.7	59 642.1	149.4	922.0	2 072.1	2 050.0	163 759.4
October	9 149.3	372.3	693.5	0.0	46 976.9	0.6	740.0	57 932.6	149.4	975.8	2 057.8	1 200.0	161 254.2
November	7 751.2	142.9	539.1	0.0	48 683.4	39.0	778.1	57 933.7	149.4	985.7	1 854.0	0.0	160 621.2
December	18 215.4	457.9	490.4	0.0	62 107.8	4.0	794.1	82 069.6	149.4	1 112.2	1 845.7	800.0	182 819.7
2001													
January	11 236.4	316.9	375.0	0.0	68 023.8	12.7	796.1	80 760.8	149.4	1 096.3	1 822.4	0.0	177 302.7
February	9 948.8	91.0	195.1	0.0	68 150.9	58.0	797.0	79 240.7	149.4	1 220.5	2 515.6	0.0	176 906.3
March	17 186.6	227.7	118.1	0.0	75 026.5	4.5	651.7	93 215.0	149.4	1 359.8	1 774.5	0.0	190 554.5
April	13 979.0	48.8	278.0	0.0	79 224.5	137.8	530.8	94 198.9	149.4	1 458.0	1 885.6	0.0	192 585.8
May	8 429.7	228.0	128.6	0.0	82 534.7	7.1	537.8	91 865.9	144.4	1 491.0	2 688.7	0.0	190 915.8
June	11 510.4	187.0	430.1	0.0	77 289.0	7.2	537.2	89 960.8	139.4	1 525.0	1 649.5	1 800.0	191 074.5
July	9 012.2	173.0	320.5	0.0	75 529.7	7.6	541.3	85 584.3	139.4	1 492.6	1 617.5	1 700.0	190 887.4
August	18 447.2	123.3	200.5	0.0	72 206.4	18.4	554.9	91 550.6	139.4	1 508.2	1 595.7	1 750.0	193 010.5
September	16 078.5	456.5	125.8	0.0	74 012.7	110.1	566.6	91 350.2	139.4	1 577.9	1 668.2	1 100.0	196 088.7
October	11 735.4	337.8	5 936.6	0.0	72 226.6	44.1	571.4	90 852.0	139.4	1 591.9	1 520.6	0.0	199 415.9
November	18 499.3	286.5	5 864.7	0.0	73 482.7	32.3	570.5	98 735.9	129.4	1 694.5	1 540.5	2 000.0	202 123.8
December	12 301.1	111.5	5 623.6	0.0	78 798.5	42.1	222.5	97 099.2	129.4	1 682.4	1 521.8	0.0	200 464.0

Table 7 contd.

ASSETS Description	CORRESP BANKS	FOREIGN CURR. NOTES	ASSETS IN SDR	RESER. AT IMF	FOREIGN ASSETS INVEST. CONVERTIBLES RECEIVABLE	OVERDRAFT FOR. BANKS	TOTAL FOR. ASSETS	CLAIMS ON GOVT. ENTER.	CLAIMS ON PUBLIC SECTOR	CLAIMS ON PRIVATE SECTOR	CLAIMS ON SAV. BANKS	LOANS MONEY	CLAIMS UNCLASSIFIED ON O/I	TOTAL ASSETS
2002														
January	9 755.2	182.8	5 583.6	0.0	75 195.1	24.9	90 962.5	46 539.1	129.4	1 679.2	1 503.3	860.0	200.7	193 670.6
February	11 008.7	315.1	5 463.5	0.0	69 167.2	1.8	86 201.0	47 289.2	129.4	1 741.5	1 485.7	0.0	190.7	189 007.5
March	9 619.9	273.5	5 363.8	0.0	69 264.7	56.8	84 824.3	45 536.3	129.4	1 730.0	1 493.1	0.0	190.7	186 063.6
April	10 160.3	272.8	5 309.0	0.0	68 269.5	59.3	84 321.1	49 481.1	129.4	1 748.2	1 387.9	0.0	174.0	190 843.9
May	8 984.1	42.4	5 410.7	0.0	63 291.7	530.4	78 523.8	50 923.6	129.4	1 864.6	1 377.7	530.0	164.0	187 866.2
June	23 447.1	199.3	5 013.5	0.0	60 325.4	141.3	89 398.8	42 911.9	129.4	1 896.0	1 376.1	0.0	164.0	192 964.5
July	20 967.4	241.2	5 078.6	0.0	67 560.5	79.4	94 209.2	47 715.6	129.4	1 913.6	1 367.0	0.0	147.4	203 519.5
August	19 755.2	509.4	5 182.8	0.0	71 703.2	574.4	98 013.9	43 165.5	129.4	1 955.5	1 370.2	0.0	147.4	203 420.5
September	19 294.8	218.3	5 040.5	0.0	59 445.2	73.8	94 277.4	42 912.1	129.4	1 944.5	1 346.5	0.0	135.3	199 835.2
October	18 262.6	482.4	5 086.2	0.0	61 047.9	2.6	95 201.9	45 492.8	129.4	2 054.7	1 304.9	0.0	133.2	205 193.3
November	16 243.6	261.8	5 199.1	0.0	60 151.4	27.7	96 353.9	49 633.5	129.4	2 070.4	1 321.0	0.0	127.4	209 831.8
December	44 515.1	116.3	5 153.8	0.0	59 431.5	593.4	124 699.7	43 050.4	129.4	2 090.9	1 235.8	1 000.0	121.1	232 878.7
2003														
January	42 454.3	203.2	5 238.5	0.0	77 607.9	2.6	125 829.0	42 911.9	129.4	2 072.9	1 224.5	0.0	119.0	233 699.6
February	39 978.1	379.7	14 988.5	0.0	67 272.8	2.4	122 943.4	47 456.1	129.4	2 055.8	1 204.6	0.0	113.2	236 285.0
March	39 372.0	690.1	14 954.1	0.0	68 809.9	1.3	124 148.6	42 911.9	129.4	2 100.3	1 156.6	0.0	106.9	232 943.9
April	27 745.2	502.1	15 276.5	0.0	75 516.9	1.4	119 373.3	45 542.0	129.4	2 194.0	1 147.8	0.0	104.8	232 016.0
May	26 422.0	238.6	15 878.5	0.0	82 254.6	26.9	125 164.6	42 428.2	129.4	2 208.3	1 160.4	0.0	104.8	237 207.5
June	29 273.0	512.9	15 959.4	0.0	81 633.4	8.0	127 732.7	42 428.9	129.4	2 171.9	1 286.0	0.0	92.8	240 737.8
July	45 039.6	240.7	16 031.5	0.0	63 225.5	164.2	125 047.5	46 268.1	129.4	2 212.2	1 429.4	800.0	90.7	245 096.2
August	38 620.2	658.6	16 066.4	0.0	57 368.9	1.5	113 071.5	48 757.2	129.4	2 210.2	1 419.4	0.0	90.7	234 195.2
September	19 976.0	551.9	16 682.5	0.3	76 467.3	1.6	114 049.2	51 205.3	129.4	2 222.2	1 409.2	0.0	84.8	240 247.0
October	16 063.8	450.0	17 071.2	0.0	81 883.6	1.4	115 856.9	50 877.8	129.4	2 302.1	1 450.0	500.0	80.2	244 205.7
November	17 633.3	277.2	17 365.3	0.0	86 258.4	569.9	122 497.2	42 428.7	129.4	2 317.9	1 449.8	0.0	80.2	243 559.3
December	39 922.6	606.6	17 009.3	0.0	66 185.4	0.5	124 320.6	43 916.8	128.2	2 305.6	1 368.6	0.0	72.1	248 876.4

BALANCE SHEET OF NBR (in millions of RWF, stocks at end period)

Table 7 (suite)

LIABILITIES Description	MONETARY BASE										TOTAL MONETARY BASE	OTHER LIABILITIES DUES	GOVT. DEPOSITS	EXTERNAL LIABILITIES	EQUITY CAPITAL	UNCLASSIFIED LIABILITIES	TOTAL LIABILITIES
	CURRENCY IN CIRCULATION (outside NBR)	DEPOSITS FROM BANKS	LOANS FROM MONEY MARKET	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERPRISES DEPOSITS	DEPOSITS OF OFI											
1995	18 301.2	8 223.2	0.0	0.2	495.9	319.6	27 340.1	206.5	21 381.6	15 916.1	17 283.3	31 352.3				113 479.9	
1996	23 379.9	11 590.7	0.0	0.1	428.2	107.5	35 506.4	200.1	18 996.8	13 611.9	11 348.5	33 076.6				112 740.4	
1997	24 525.4	11 550.6	2 650.0	3.3	429.9	155.5	39 314.7	181.1	19 209.7	18 969.5	11 830.6	33 705.7				123 211.3	
1998	22 865.0	10 233.6	0.0	0.2	774.9	142.3	34 015.9	142.4	22 491.8	26 338.4	14 993.0	35 203.1				133 184.7	
1999	23 979.4	14 345.1	0.0	2.8	601.9	121.7	39 051.0	854.6	22 548.8	33 907.1	15 613.3	45 679.7				157 654.3	
2000	24 609.4	10 268.0	0.0	9.8	364.9	551.6	35 803.7	434.2	25 993.3	44 653.8	15 374.3	60 560.5				182 819.8	
2001	28 583.8	7 894.9	6 472.3	5.5	318.3	305.7	43 580.5	1 629.5	29 885.1	45 787.9	18 080.3	61 313.6				200 276.9	
2002	30 719.4	10 507.8	1 058.3	26.7	341.0	705.3	42 300.3	1 647.6	50 168.2	52 131.5	23 070.8	62 502.0				232 878.7	
2003	36 467.1	11 024.8	0.0	43.6	348.3	447.6	48 331.5	1 374.3	32 915.1	58 773.0	29 060.4	78 422.3				248 876.6	
2000																	
January	21 441.0	11 491.8	0.0	1.1	672.7	130.7	33 737.3	620.1	21 176.7	35 018.7	15 734.8	46 095.1				152 382.7	
February	21 607.4	12 892.3	0.0	1.2	596.5	240.6	35 338.0	957.1	21 208.6	34 572.6	15 715.2	46 471.7				154 263.2	
March	22 196.8	11 143.4	0.0	1.2	381.8	369.2	34 092.4	848.1	21 970.3	34 194.9	14 423.8	47 798.2				153 327.5	
April	22 991.8	12 678.6	0.0	1.2	369.5	152.4	36 193.5	746.5	20 955.5	34 831.1	14 436.6	48 233.9				155 397.1	
May	24 116.9	10 617.8	0.0	1.2	410.3	136.5	35 282.7	659.9	17 636.4	33 800.2	14 544.2	48 882.9				150 806.3	
June	24 056.9	11 485.6	0.0	0.8	406.4	121.8	36 071.5	582.6	18 170.5	34 905.3	14 794.9	50 775.1				155 299.9	
July	23 711.4	12 005.7	0.0	0.8	443.2	228.0	36 389.2	408.7	16 525.7	33 528.6	14 807.8	51 818.2				153 478.3	
August	23 251.8	9 895.3	0.0	0.8	493.6	133.7	33 775.3	433.7	19 228.2	38 678.4	15 016.9	53 952.2				161 084.6	
September	23 175.3	11 023.8	0.0	5.8	480.1	133.7	34 818.8	281.1	19 003.0	38 846.9	15 013.5	55 796.1				163 759.4	
October	22 425.0	10 445.6	0.0	10.6	487.0	123.2	33 491.4	263.7	18 754.2	37 156.8	15 060.2	56 527.9				161 254.2	
November	21 686.4	10 295.2	0.0	9.9	358.8	143.2	32 493.5	387.7	16 872.7	38 326.3	15 219.5	57 321.3				160 621.0	
December	24 609.4	10 268.0	0.0	9.8	364.9	551.6	35 803.7	434.2	25 993.3	44 653.8	15 374.3	60 560.5				182 819.8	
2001																	
January	23 923.7	12 741.4	0.0	9.8	320.7	229.8	37 225.4	744.6	24 273.7	43 947.3	18 716.8	52 394.9				177 302.7	
February	25 250.3	11 081.3	700.0	9.4	310.7	216.1	37 567.9	762.4	22 495.7	44 040.9	18 725.1	53 314.5				176 906.3	
March	25 036.8	7 481.9	3 600.0	10.8	277.9	209.4	36 616.7	1 061.5	40 351.5	42 714.7	16 524.4	53 285.8				190 554.5	
April	25 579.3	12 291.6	1 000.0	17.4	249.4	199.5	39 337.1	1 029.4	38 239.5	42 516.8	16 631.0	54 832.0				192 585.8	
May	26 140.5	14 046.1	2 500.0	21.3	243.5	169.9	43 121.4	1 103.3	33 330.5	41 340.5	16 738.7	55 281.4				190 915.8	
June	27 310.4	12 347.4	3 450.0	19.9	272.0	180.2	43 579.9	1 686.6	32 449.5	41 417.4	16 730.6	55 210.4				191 074.4	
July	27 783.6	12 461.5	1 500.0	3.7	696.3	207.9	42 652.9	1 738.1	32 307.1	41 231.4	16 822.4	56 135.3				190 887.3	
August	26 506.3	11 948.7	1 950.0	3.3	436.1	122.4	40 966.8	1 567.8	34 250.8	42 133.5	17 003.2	57 088.4				193 010.5	
September	25 723.7	10 875.9	1 792.8	2.9	368.5	376.5	39 140.2	1 360.3	36 684.0	42 402.1	17 209.6	59 292.4				196 088.7	
October	25 306.7	10 254.5	1 042.3	2.9	334.8	276.1	37 217.4	1 574.8	35 550.5	47 447.0	17 277.1	60 353.7				199 420.4	
November	24 987.7	12 324.8	1 042.2	11.5	347.5	781.2	39 494.9	1 560.1	36 757.8	46 976.2	17 355.4	59 979.4				202 123.8	
December	28 583.8	7 894.9	6 472.3	5.5	318.3	305.7	43 580.5	1 629.5	29 885.1	45 787.9	18 080.3	61 313.6				200 276.9	

Table 7 (Suite) contd.

LIABILITIES Description	MONETARY BASE											TOTAL LIABILITIES	
	CURRENCY IN CIRCULATION (outside NBR.)	DEPOSITS FROM BANKS	LOANS FROM MONEY MARKET	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERPRISES DEPOSITS	DEPOSITS OF OFI	TOTAL MONETARY BASE	OTHER LIABILITIES DUES	GOVT. DEPOSITS	EXTERNAL LIABILITIES	EQUITY CAPITAL		
2002													
January	26 868.5	14 289.5	3 488.7	1.9	271.4	1 331.3	42 762.5	1 955.5	26 514.6	45 638.1	20 758.3	52 553.0	193 670.6
February	26 315.2	13 852.9	2 488.7	2.4	280.2	314.7	40 765.4	2 288.9	24 561.7	45 461.7	20 792.6	52 648.6	189 007.5
March	27 043.4	12 966.1	0.0	2.6	241.3	519.7	40 773.2	2 442.0	26 069.8	45 189.7	18 965.6	52 623.4	186 063.6
April	26 854.8	11 760.5	2 000.0	3.3	283.6	1 560.5	40 462.7	1 944.0	27 138.0	45 421.6	19 164.0	54 713.6	190 843.9
May	27 863.1	10 263.2	0.0	2.6	213.2	762.0	39 104.2	2 075.5	25 709.0	46 638.1	19 354.1	54 985.3	187 866.2
June	28 771.6	8 336.3	0.0	2.7	247.9	1 088.8	38 447.3	2 189.2	27 609.3	48 101.0	19 601.1	57 016.6	192 964.5
July	29 288.8	12 050.4	5 182.4	2.7	298.4	851.4	42 491.7	2 013.4	25 410.2	49 351.6	19 715.8	59 354.4	203 519.5
August	28 691.5	12 070.7	3 670.4	11.8	361.2	649.5	41 784.7	1 995.8	23 872.2	52 057.3	19 924.7	60 115.5	203 420.5
September	29 130.6	7 619.8	5 676.8	7.7	367.8	361.6	37 487.4	1 831.8	24 718.6	49 267.6	19 910.1	60 942.9	199 835.2
October	28 069.3	13 074.7	2 416.6	3.1	356.1	479.6	41 982.8	1 610.7	25 722.1	49 978.2	19 993.1	63 489.7	205 193.3
November	28 246.3	11 721.1	1 062.2	2.5	342.4	452.7	40 765.0	1 522.4	30 389.4	52 953.9	20 238.2	64 312.2	211 243.3
December	30 719.4	10 507.8	1 058.3	26.7	341.0	705.3	42 300.3	1 647.6	50 168.2	52 131.5	23 070.8	62 502.0	232 878.7
2003													
January	29 445.3	11 032.6	3 205.6	20.0	302.4	438.4	44 444.3	1 692.2	47 654.9	53 465.2	23 232.8	63 210.2	233 699.6
February	30 024.7	12 033.6	2 506.5	4.4	303.2	2 347.4	47 219.8	1 622.4	47 805.1	53 358.3	23 213.2	63 066.2	236 285.0
March	30 867.7	11 094.6	5 288.1	4.3	360.0	1 228.2	48 842.9	1 568.8	41 628.6	53 100.5	23 190.3	64 612.8	232 943.9
April	30 566.5	13 708.6	3 215.0	4.3	271.6	1 997.9	49 764.0	1 795.4	39 489.7	54 124.4	21 779.5	65 062.8	232 015.7
May	31 407.4	10 024.9	6 366.1	13.3	271.6	1 971.6	50 054.9	1 777.2	37 283.1	56 701.8	22 172.7	69 217.8	237 207.5
June	33 892.3	8 337.3	4 005.0	18.7	244.9	1 326.3	47 824.5	1 990.8	40 524.6	57 150.1	22 156.6	71 091.2	240 737.8
July	34 490.4	13 175.8	2 704.3	13.8	263.5	1 379.3	52 027.1	1 808.8	38 096.1	58 070.7	22 281.8	72 806.6	245 091.2
August	35 345.5	11 067.7	1 304.3	18.0	303.6	481.1	48 520.1	1 553.4	37 821.6	52 885.7	22 289.6	71 118.9	234 189.3
September	35 410.0	11 567.0	702.1	18.7	277.5	813.1	48 788.4	1 598.8	37 293.8	55 155.9	22 702.4	74 707.7	240 246.9
October	33 908.8	12 162.6	3 250.0	18.6	268.8	745.4	50 354.2	1 589.4	36 032.6	56 428.4	22 962.8	76 838.7	244 206.0
November	33 731.1	11 064.3	0.0	36.5	342.1	1 140.4	46 314.2	1 446.4	36 099.3	57 260.8	23 143.7	79 295.0	243 559.3
December	36 467.1	11 024.8	0.0	43.6	348.3	447.6	48 331.5	1 374.3	32 915.1	58 773.0	29 060.4	78 422.3	248 876.6

Source: NBR. Department of Research

Table 8

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS (in millions RWF, stocks at end period)

ASSETS Description	RESERVES	FOREIGN ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBL. ENTERPR.	CREDIT TO THE ECONOMY CLAIMS ON PRIV. SECTOR	CLAIMS ON OFI	TOTAL	OTHER ASSETS	TOTAL ASSETS
1995	8 589.7	15 565.6	4 527.8	353.9	28 381.3	104.4	28 839.6	9 741.4	67 264.1
1996	13 815.8	20 151.8	4 968.5	205.0	28 614.0	104.4	28 923.5	8 839.2	76 698.8
1997	16 035.2	22 293.2	5 573.2	14.8	44 947.2	104.4	45 066.4	11 709.0	100 677.0
1998	11 834.9	24 094.2	6 993.8	421.3	54 079.0	109.6	54 609.9	13 093.9	110 626.7
1999	15 836.3	19 680.1	7 746.8	586.7	59 686.4	168.5	60 441.6	16 316.0	120 020.9
2000	10 807.1	32 948.8	7 265.7	678.7	69 288.5	109.6	70 076.8	16 717.6	137 831.7
2001	15 235.2	33 763.9	7 605.8	831.4	75 691.4	175.7	76 698.5	19 197.1	152 500.4
2002	12 536.7	39 106.0	14 409.8	3 362.8	82 866.2	139.1	86 977.4	22 359.4	175 389.1
2003	13 054.7	49 779.7	14 861.8	4 772.1	94 535.7	193.1	99 872.6	24 866.6	202 435.4
2000									
January	13 535.3	21 773.7	7 673.8	333.5	58 884.5	109.6	59 327.6	17 522.0	119 832.4
February	14 872.3	19 467.2	7 529.1	357.3	58 790.9	109.6	59 257.8	16 616.3	117 742.7
March	12 737.5	20 859.2	7 931.5	991.4	61 650.9	163.5	62 805.8	18 343.1	122 677.2
April	14 040.7	21 110.4	7 516.8	437.8	62 173.6	134.5	62 745.9	18 144.5	123 558.3
May	13 197.8	19 535.4	7 324.1	769.8	63 994.5	109.6	64 873.9	21 231.1	126 162.3
June	12 623.3	21 025.7	7 318.0	934.9	65 372.9	111.5	66 419.3	21 117.3	128 503.6
July	12 605.2	23 808.6	7 345.6	795.1	65 578.3	109.6	66 483.0	21 080.5	131 323.0
August	12 208.7	25 307.7	7 088.4	788.1	65 017.7	109.6	65 915.4	21 655.2	132 175.4
September	13 141.9	24 259.4	7 680.3	683.3	65 753.0	109.6	66 545.9	19 816.3	131 443.8
October	12 536.0	24 835.7	9 001.0	661.3	65 699.1	109.6	66 470.0	20 184.7	133 027.4
November	12 523.7	29 001.8	7 514.2	570.8	67 210.4	109.6	67 890.8	17 915.3	134 845.6
December	10 807.1	32 948.8	7 265.7	678.7	69 288.5	109.6	70 076.8	16 717.6	137 831.7
2001									
January	14 242.0	35 895.1	7 328.3	670.6	67 068.8	79.6	67 819.0	18 523.2	143 807.6
February	13 090.0	36 835.9	7 275.8	658.7	67 195.9	79.6	67 934.2	18 527.2	143 663.1
March	12 742.2	35 078.7	7 322.4	1 092.1	67 711.0	109.6	68 912.7	18 618.4	142 674.4
April	15 754.2	32 160.5	7 205.0	1 031.8	68 734.2	109.6	69 875.6	18 731.1	143 726.4
May	17 251.8	33 759.3	7 358.3	1 090.7	70 749.3	109.6	71 949.6	19 484.2	149 803.2
June	17 715.0	32 543.2	7 295.5	1 079.4	73 692.9	109.6	74 881.9	19 296.3	151 731.9
July	15 808.8	34 366.9	7 603.0	907.4	74 172.8	109.6	75 189.7	18 491.7	151 460.2
August	14 846.9	31 657.4	7 499.5	889.5	73 961.5	109.6	74 960.5	19 588.6	148 552.8
September	13 762.1	33 024.7	7 650.5	989.3	75 045.4	109.6	76 144.3	19 684.3	150 266.0
October	12 781.5	34 014.0	7 676.0	941.8	75 232.4	377.7	76 551.9	19 050.7	150 074.1
November	15 603.7	33 725.5	7 624.6	1 083.0	73 420.1	1 383.6	75 886.7	20 511.1	153 351.5
December	15 235.2	33 763.9	7 605.8	831.4	75 691.3	175.7	76 698.4	19 197.1	152 500.4

Table 8 cont.

ASSETS Description	RESERVES	FOREIGN ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBL. ENTERPR.	CREDIT TO THE ECONOMY CLAIMS ON PRIV. SECTOR	CLAIMS ON OFI	TOTAL	OTHER ASSETS	TOTAL ASSETS
2002									
January	16 608.1	32 443.6	7 728.6	838.5	74 355.2	62.0	75 663.3	23 620.5	156 064.1
February	15 407.0	34 805.7	7 435.2	1 752.70	73 243.3	64.3	75 479.8	22 729.7	155 857.4
March	14 538.9	36 336.2	9 336.9	1 737.4	73 729.2	59.0	75 982.6	21 256.7	157 451.2
April	13 908.5	35 401.1	8 349.7	1 509.5	74 321.4	71.3	76 284.0	22 953.6	156 896.9
May	11 805.3	37 372.6	13 259.0	1 501.3	76 493.6	110.8	78 387.5	20 393.0	161 217.4
June	14 567.5	40 702.7	10 479.7	1 571.5	78 707.4	125.7	80 717.3	20 348.9	166 816.1
July	16 606.2	38 142.3	10 635.3	1 848.6	78 368.5	131.1	80 567.1	25 697.4	171 648.4
August	14 712.1	38 783.6	11 040.2	2 825.3	78 641.4	121.4	81 836.5	27 578.4	173 950.7
September	15 613.7	37 243.1	12 810.6	1 993.4	78 598.8	143.0	80 965.5	23 527.3	170 160.1
October	15 997.1	39 321.3	14 067.2	2 499.3	79 037.5	143.6	82 045.8	23 048.3	174 479.6
November	14 816.0	38 363.0	13 654.1	2 635.1	79 980.3	154.7	83 130.0	22 069.6	172 032.7
December	12 517.9	39 168.9	14 407.5	3 403	82 837.8	139.1	86 989.2	22 265.1	175 348.5
2003									
January	14 020.4	39 755.6	13 782.7	2 349.7	81 793.1	157.5	84 777.9	23 765.0	176 101.6
February	14 918.1	40 028.2	14 008.0	1 575.52	82 220.9	279.0	84 585.6	25 247.4	178 787.4
March	14 435.4	38 780.8	13 565.3	2 297.96	79 077.4	177.4	81 949.8	26 815.5	175 546.8
April	17 290.8	41 423.4	16 638.4	1 809.88	78 014.9	178.7	80 302.0	25 371.6	181 026.3
May	13 514.2	43 997.1	16 783.6	1 774.24	80 122.8	175.7	82 609.5	27 973.7	184 878.1
June	10 807.8	44 916.3	20 243.7	3 203.19	85 041.2	748.4	89 344.3	29 202.9	194 514.9
July	16 072.5	45 532.8	17 109.6	4 326.57	85 814.0	241.6	90 699.3	27 859.9	197 274.0
August	14 345.5	45 138.9	16 877.1	4 697.43	88 346.1	217.8	93 618.9	25 674.2	195 654.6
September	14 443.1	42 251.5	16 309.8	4 625.62	93 108.2	245.8	98 331.2	25 841.2	197 176.8
October	15 492.8	45 499.0	15 742.8	4 522.53	93 053.0	228.8	98 199.3	26 291.0	201 224.8
November	13 885.9	41 284.1	15 665.1	4 781.4	94 352.6	235.1	99 716.3	24 346.7	194 898.0
December	13 054.7	49 779.7	14 861.8	4 772.1	94 535.7	193.1	99 872.6	24 866.6	202 435.4

Table 8 (suite)

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS (in millions RWF, stocks at end period)

LIABILITIES Description	DEMAND DEPOSITS	TIME DEPOSITS & RELATED ITEMS	QUASI-MONEY FOR. CURR. DEPOSITS	SUB-TOTAL	GOVERNMENT DEPOSITS	FOREIGN LIABILITIES	LOANS FROM NBR	EQUITY CAPITAL	OTHER LIABILITIES	TOTAL LIABILITIES
1995	22 184.7	7 028.2	15 153.0	44 365.9	5 481.9	1 226.1	1 623.9	6 908.3	7 658.0	67 264.1
1996	24 363.4	8 716.6	14 132.9	47 212.9	10 944.1	1 379.2	62.5	7 682.4	9 417.5	76 698.7
1997	33 609.2	17 228.7	15 920.5	66 758.4	7 461.4	3 899.4	63.4	11 653.6	10 840.3	100 677.0
1998	31 041.5	20 451.0	18 513.6	70 006.1	9 531.9	3 815.7	61.4	16 033.5	11 178.2	110 626.8
1999	36 279.4	19 172.5	19 505.2	74 957.1	9 704.9	1 856.0	1 550.2	20 062.1	11 890.4	120 020.7
2000	36 778.4	24 081.6	26 683.6	87 543.6	9 441.7	3 482.5	2 358.8	23 354.4	11 469.1	137 650.0
2001	38 421.1	26 888.6	27 850.7	93 160.4	12 525.2	4 643.9	1 352.3	26 182.5	14 636.0	152 500.4
2002	44 916.0	39 543.9	29 356.7	113 816.6	6 794.1	8 060.5	2 079.7	23 130.8	20 947.1	175 348.5
2003	50 849.9	38 272.6	41 523.8	130 646.3	7 949.0	11 123.3	1 216.3	27 936.9	21 768.1	202 435.5
2000										
January	37 590.1	17 514.2	19 782.0	74 886.3	9 909.8	1 920.0	1 550.2	19 937.9	11 628.3	
February	36 154.9	18 853.3	18 278.9	73 287.1	9 848.0	2 080.4	1 693.3	20 214.0	10 619.7	117 742.7
March	36 358.1	19 203.3	19 183.8	74 745.2	11 708.3	2 623.0	1 781.7	20 161.5	13 606.1	122 677.3
April	37 686.7	19 469.3	20 375.5	77 531.5	9 317.0	2 666.3	2 469.7	20 384.4	11 189.4	123 558.3
May	35 683.2	20 891.2	19 941.6	76 516.0	10 393.1	2 289.0	4 172.7	20 640.0	12 151.6	126 162.3
June	35 364.8	22 408.8	21 358.1	79 131.7	10 217.9	2 328.1	4 287.1	19 921.7	12 617.6	128 504.1
July	35 741.6	21 571.0	22 866.2	80 178.8	11 002.5	2 090.4	4 312.7	20 473.4	13 265.1	131 323.0
August	35 976.5	21 434.1	24 681.6	82 092.2	10 248.1	2 249.0	1 883.3	21 368.8	14 334.1	132 175.4
September	34 053.5	21 211.0	23 560.8	78 825.3	9 992.3	2 768.3	3 811.8	22 076.8	13 969.3	131 443.8
October	35 889.0	20 478.8	23 381.1	79 748.9	10 701.9	2 995.7	2 992.7	22 758.2	13 829.9	133 027.4
November	35 574.2	22 086.6	26 311.3	83 972.1	9 812.6	3 516.5	1 769.7	23 344.2	12 431.7	134 846.8
December	36 778.4	24 161.7	26 579.3	87 329.3	9 441.7	3 546.9	2 358.8	23 512.4	11 642.5	137 831.7
2001										
January	38 919.2	24 398.5	29 151.7	92 469.4	10 264.7	4 174.0	1 678.3	23 813.8	11 407.3	143 807.4
February	35 899.8	27 420.0	29 304.7	92 624.4	9 632.2	3 421.0	1 607.3	23 924.9	12 453.3	143 663.2
March	34 078.0	28 018.0	27 913.4	90 009.4	10 352.9	3 837.6	1 617.8	24 335.7	12 521.0	142 674.5
April	36 658.9	26 569.0	27 018.6	90 246.5	11 032.0	3 356.5	1 560.4	24 224.4	13 306.4	143 726.1
May	37 187.4	26 951.3	28 902.2	93 040.8	12 425.3	4 895.4	1 506.5	24 534.4	13 400.7	149 803.1
June	38 283.1	25 891.0	27 361.8	91 535.9	12 817.3	5 571.4	3 272.6	24 248.9	14 285.8	151 731.8
July	37 646.3	23 256.2	28 169.7	89 072.1	14 256.2	7 437.9	3 077.1	24 988.9	12 628.1	151 460.2
August	37 475.6	21 735.3	27 365.4	86 576.3	13 565.1	6 281.3	2 688.1	25 210.9	14 231.2	148 552.8
September	37 519.7	22 279.3	30 504.4	90 303.5	13 087.4	4 218.1	2 512.9	25 921.2	14 223.0	150 266.1
October	35 468.8	23 799.3	29 759.1	89 027.2	14 779.3	5 088.6	1 493.5	26 161.5	14 893.9	150 074.7
November	36 765.9	24 677.9	29 093.0	90 536.8	13 684.0	3 935.7	3 272.6	26 189.3	17 107.5	153 351.6
December	38 421.1	26 888.6	27 850.7	93 160.4	12 525.2	4 643.9	1 352.3	26 182.5	14 636.0	152 500.4

Table 8 (Suite) contd.

LIABILITIES Description	DEMAND DEPOSITS	TIME DEPOSITS & RELATED ITEMS	QUASI-MONEY FOR. CURR. DEPOSITS	SUB-TOTAL	GOVERNMENT DEPOSITS	FOREIGN LIABILITIES	LOANS FROM B NR	EQUITY CAPITAL	OTHER LIABILITIES	TOTAL LIABILITIES
2002										
January	37 346.8	34 663.4	26 037.5	98 047.7	6 440.0	6 667.6	2 195.2	25 993.1	16 503.2	156 064.1
February	37 723.9	35 371.9	27 078.3	100 174.1	6 467.8	6 520.3	1 318.4	25 951.9	15 258.5	155 857.3
March	36 920.9	35 041.7	28 464.0	100 426.6	7 976.8	6 670.6	1 688.0	25 040.5	15 398.7	157 451.2
April	38 540.9	34 844.0	26 375.8	99 760.7	6 981.0	8 221.5	1 246.1	25 079.9	15 446.9	156 897.0
May	40 334.1	34 223.7	29 626.4	104 184.2	5 789.9	7 459.9	1 203.9	25 547.2	16 749.5	161 217.4
June	38 833.4	37 899.3	27 723.5	104 456.2	6 250.6	11 272.0	2 224.7	25 858.7	16 612.3	166 816.0
July	40 941.0	39 612.7	32 584.7	113 138.4	6 609.3	7 860.2	1 424.8	25 879.8	16 563.2	171 648.4
August	41 460.9	38 876.7	32 203.8	112 541.4	6 271.1	9 486.0	1 365.6	25 238.6	18 847.2	173 950.6
September	42 870.7	33 143.6	30 562.5	106 576.8	11 078.1	8 870.7	1 161.0	25 665.7	15 929.0	169 459.8
October	40 398.6	42 253.3	30 934.6	113 586.5	6 925.3	9 049.0	1 154.4	25 629.5	17 984.8	174 479.6
November	40 782.4	41 102.4	30 313.0	112 197.8	7 492.0	6 668.3	1 142.5	26 006.6	18 259.6	172 033.1
December	44 925.6	39 552.8	29 529.5	114 007.9	6 794.4	8 060.5	2 079.7	23 130.8	20 947.1	175 348.5
2003										
January	45 852.7	38 627.9	29 966.5	114 447.1	7 312.5	7 396.8	1 067.7	24 429.9	21 304.2	176 101.7
February	44 851.3	40 722.0	30 526.1	116 099.4	8 248.8	7 441.1	1 059.8	24 083.2	21 371.6	178 787.5
March	45 224.1	38 347.0	30 295.4	113 866.5	7 116.5	6 872.8	1 015.9	22 826.1	21 891.3	175 547.0
April	45 313.5	39 100.8	31 075.4	115 489.7	5 555.5	9 229.4	1 006.1	23 521.4	23 927.1	181 026.3
May	45 048.6	41 308.0	33 558.9	119 915.5	6 273.3	8 639.4	1 011.0	23 666.7	23 874.4	184 878.1
June	49 068.5	29 397.7	35 966.3	114 432.5	13 790.1	11 679.8	1 947.8	24 439.1	25 783.4	194 514.9
July	47 721.9	39 979.4	37 500.1	125 201.4	5 828.7	11 947.2	1 990.1	25 918.8	24 251.5	197 274.1
August	49 276.6	37 506.6	39 007.1	125 790.3	5 675.2	11 445.8	1 182.2	26 003.7	23 691.2	195 654.6
September	51 061.4	35 750.1	37 959.2	124 770.6	7 533.2	10 545.4	1 170.1	26 743.4	24 777.5	197 176.8
October	48 086.9	41 252.9	41 070.1	130 410.0	6 382.3	10 909.3	1 269.7	27 194.7	22 623.9	201 224.8
November	47 858.7	39 397.3	39 830.6	127 086.7	6 181.2	10 753.3	1 243.8	27 649.5	20 127.2	194 898.1
December	50 849.9	38 272.6	41 523.8	130 646.3	7 949.0	11 123.3	1 216.3	27 936.9	21 768.1	202 435.5

Source: NBR. Department of Research

Table 9

CONSOLIDATED BALANCE SHEET OF OTHER BANKING INSTITUTIONS* (in millions RWF, stocks at end period)

DESCRIPTION	1995	1996	1997	1998	1999	2000	2001	2002	2003
ASSETS									
Reserves	7 530.2	8 046.2	8 636.2	9 701.4	11 767.7	12 017.4	13 136.4	13 596.8	52 393.6
Cash balance	197.8	20.9	44.8	50.3	31.9	315.9	146.0	71.8	817.0
Deposits at NBR	10.5	2.3	1.3	1.4	0.4	0.9	1.7	1.7	596.0
Claims on Government	187.3	18.6	43.5	48.9	31.5	315.0	144.3	62.3	144.7
Claims on the economy	150.0	150.0	594.6	798.6	556.1	195.4	209.9	198.0	5 891.9
Claims on public enterprises	4 423.7	4 178.0	4 731.4	6 022.3	6 517.6	6 566.0	6 595.8	7 324.3	25 434.3
Claims on the private sector	51.9	491.6	21.2	316.3	297.6	0.0	0.0	217.2	256.4
Claims on other financial institutions (OFI)	4 371.8	3 686.5	4 710.2	5 706.0	6 220.1	6 566.0	6 595.8	7 082.1	23 118.3
Claims on banks	25.0	25.0	25.0	25.0	25.0	25.0	25.0	0.0	2 034.6
Other assets	1 256.1	1 668.7	1 622.0	938.6	1 553.9	949.6	1 700.1	1 327.6	9 390.1
LIABILITIES									
Government deposits	1 477.6	2 003.6	1 618.4	1 866.6	3 083.2	3 965.5	4 459.7	4 675.0	10 841.1
Credits from NBR	7 530.2	8 046.2	8 636.2	9 701.4	11 767.7	12 017.4	13 136.4	13 596.5	52 393.6
Long term loans	5.1	4.4	5.8	5.6	7.2	13.7	13.2	17.6	8 056.6
Equity capital	9.0	9.0	9.0	9.0	430.9	314.4	229.6	121.2	768.0
Other amounts due	2 739.0	2 606.7	1 786.2	1 289.8	1 409.9	1 426.1	1 449.5	4 562.2	8 056.6
Other liabilities	3 927.7	4 475.9	4 345.5	4 745.4	5 985.3	6 119.0	6 204.8	5 847.1	18 573.6
	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	845.8	950.2	2 489.7	3 651.6	3 934.4	4 144.3	5 239.3	3 048.4	3 866.0

* BRD and CHR up to 2002

* BRD, CHR and UBPR for the year 2003

Source: NBR, Department of Research

THE BANKING SECTOR SURVEY* (in millions RWF, stocks at end period)

Table 10

DESCRIPTION	1995	1996	1997	1998	1999	2000	2001	2002	2003
I. NET FOREIGN ASSETS	28 071.1	37 594.3	46 150.2	48 237.9	44 793.6	66 817.7	80 431.4	103 641.6	104 157.9
Assets: NBR	29 647.7	32 433.6	46 725.9	54 298.0	60 876.6	82 069.7	97 099.2	124 700.0	124 320.8
BANKS	15 565.6	20 151.7	22 293.1	24 094.2	19 680.1	32 948.8	33 763.9	39 106.0	49 800.0
less Liabilities: NBR	15 916.1	13 611.9	18 969.5	26 338.4	33 907.1	44 653.8	45 787.9	52 209.1	58 839.6
BANKS	1 226.1	1 379.2	3 899.4	3 815.7	1 856.0	3 546.9	4 643.9	7 955.3	11 123.3
II. NET DOMESTIC CREDIT	56 699.3	56 485.9	74 258.7	81 804.0	94 329.2	93 276.4	93 762.2	99 280.5	151 681.4
Net credit to Government	22 621.4	22 506.6	23 616.3	20 210.3	26 758.0	15 481.6	8 848.8	2 759.2	26 168.6
Credits NBR	44 812.2	47 333.4	44 125.6	44 447.1	50 716.0	43 469.2	43 469.2	42 911.9	43 916.8
BANKS	4 527.8	4 968.5	5 573.1	6 993.8	7 746.8	7 265.7	7 605.8	14 409.8	14 861.8
OBI	150.0	150.0	594.6	798.6	556.1	195.4	195.4	198.0	5 891.9
less Deposits: NBR	21 381.6	18 996.8	19 209.7	22 491.8	22 548.8	25 993.3	29 885.1	47 949.3	30 486.2
BANKS	5 481.9	10 944.1	7 461.4	9 531.9	9 704.9	9 441.7	12 525.2	6 794.1	7 949.0
OBI	5.1	4.3	5.9	5.6	7.2	13.7	11.2	17.0	66.7
Credit to public enterprises	1 167.7	1 425.9	765.5	1 467.1	1 103.6	828.0	960.8	3 847.9	5 056.7
NBR	761.9	729.5	729.5	729.5	219.4	149.4	129.4	267.9	128.2
BANKS	353.9	204.9	14.8	421.3	586.7	678.7	831.4	3 362.8	4 772.2
OBI	51.9	491.5	21.2	316.3	297.6	0.0	0.0	217.2	156.4
Credit to the private sector	32 910.2	32 553.4	49 876.8	60 126.6	66 467.6	76 966.8	83 952.6	92 039.1	119 959.5
NBR	157.1	252.8	219.5	341.6	561.2	1 112.2	1 682.4	2 090.8	2 305.5
BANKS	28 381.3	28 614.0	44 947.2	54 079.0	59 686.4	69 288.5	75 691.4	82 866.2	94 535.7
OBI	4 371.8	3 686.6	4 710.1	5 706.0	6 220.1	6 566.0	6 578.9	7 082.1	23 118.3
ASSETS = LIABILITIES	84 770.4	94 080.2	120 408.9	130 041.9	139 122.8	160 094.1	174 193.6	202 922.1	255 839.3
MONEY SUPPLY	62 314.9	69 747.1	90 006.7	91 840.8	97 934.1	110 702.2	121 110.8	136 283.7	186 292.5
I. MONEY	39 927.2	46 697.6	56 676.4	52 733.8	58 401.9	59 527.0	64 742.0	72 406.0	85 000.5
Bank notes and coins outside banks and OBI	17 246.4	21 905.9	22 634.0	20 917.2	21 517.8	22 564.0	25 810.1	28 044.4	33 507.1
Demand deposits at NBR	496.1	428.3	433.2	775.1	604.6	374.7	510.9	1 490.3	1 706.4
Public enterprises	495.9	428.2	429.9	774.9	601.8	364.9	318.3	387.3	363.4
Private sector	0.2	0.1	3.3	0.2	2.8	9.8	192.6	1 103.0	1 343.0
Demand deposits in banks	22 184.7	24 363.4	33 609.2	31 041.5	36 279.4	36 588.3	38 421.1	42 871.3	49 786.9
II. QUASI-MONEY	22 387.7	23 049.5	33 330.3	39 107.0	39 532.2	51 175.2	56 368.8	63 877.7	101 292.0
Time deposits and related items	7 234.7	8 916.7	17 409.8	20 593.4	20 027.0	24 595.9	28 518.0	33 935.8	30 699.3
NBR	206.5	200.1	181.1	142.4	854.6	434.2	1 629.5	-	0.0
BANKS	7 028.2	8 716.6	17 228.7	20 451.0	19 172.5	24 161.7	26 888.6	29 941.9	30 699.3
Foreign currency deposits	15 153.0	14 132.8	15 920.5	18 513.6	19 505.2	26 579.3	27 850.7	29 043.3	41 496.0
OTHER ITEMS NET	22 455.6	24 332.8	30 402.4	38 201.1	41 188.7	49 391.9	53 082.9	63 781.3	65 633.8
I. NBR	20 132.2	25 606.2	30 373.1	29 151.2	32 940.2	32 780.5	38 756.9	37 094.4	43 332.7
Cash balance of banks	1 044.3	1 471.7	1 890.0	1 946.3	2 461.2	2 044.5	2 772.0	2 673.3	2 364.1
Cash balance of OBI	10.5	2.3	1.4	1.4	0.4	0.9	1.7	1.7	596.0
Deposits of banks	8 223.2	11 590.7	11 550.6	10 233.6	14 345.1	10 268.0	7 894.9	10 507.8	11 014.6
Deposits of OBI	319.6	107.5	155.5	142.3	121.7	551.6	305.7	81.0	252.8
Borrowing from money market	0.0	0.0	2 650.0	0.0	0.0	0.0	6 472.3	1 058.3	0.0
Equity capital	17 283.3	11 348.5	11 830.6	14 993.1	15 613.3	15 374.3	18 080.3	20 416.1	29 060.4
Unclassified claims	31 352.3	33 076.6	33 705.7	35 203.1	45 679.7	60 560.5	61 313.6	64 807.8	78 139.5
Loans money market	0.0	0.0	0.0	0.0	0.0	-800.0	0.0	-1 000.0	0.0
Claims on banks	-1 724.9	-152.7	-300.8	-908.0	-1 792.9	-1 845.7	-1 521.8	-2 235.8	-1 368.6
Claims on OBI	-9.0	-9.0	-9.0	-425.8	-430.9	-314.4	-207.0	-121.1	-72.1
Unclassified assets	-36 367.1	-31 829.5	-31 101.0	-32 034.8	-43 057.4	-53 059.2	-56 355.1	-60 551.2	-76 764.5
II. BANKS	-2 245.3	-5 597.0	-5 291.0	2 234.6	1 182.0	9 863.6	7 562.9	24 097.0	22 175.3
Credit of NBR	1 623.9	62.5	63.4	61.4	1 550.2	2 358.8	1 352.3	2 079.7	1 216.3
Equity capital	6 908.3	7 682.6	11 653.6	16 033.5	20 062.1	23 512.4	26 182.5	23 830.1	27 936.8
Banks deposits	1 621.1	3 385.5	3 623.9	3 494.1	2 728.3	1 026.5	810.5	990.8	732.1
Reserves	-8 589.7	-13 815.8	-16 035.2	-11 834.9	-15 836.3	-10 822.8	-15 235.2	-12 536.7	-13 054.7
Claims on banks	-74.3	-98.3	-309.3	-461.1	-1 022.2	-860.7	-991.7	-1 177.5	-1 368.6
Claims on OBI	-104.4	-104.5	-104.5	-109.6	-168.5	-109.6	-175.7	-139.1	-193.1
Other items net	-3 630.2	-2 709.0	-4 182.9	-4 948.7	-6 131.7	-5 240.9	-4 379.9	-1 774.6	-3 098.5
III. OBI	4 568.7	4 323.6	5 320.3	6 815.3	7 066.5	6 747.8	6 763.1	2 590.0	125.7
Reserves	-197.8	-20.9	-44.8	-50.3	-31.9	-315.9	-146.1	-71.8	-817.0
Claims on banks	-1 256.1	-1 668.7	-1 622.0	-938.6	-1 553.9	-949.6	-1 700.1	-1 327.6	-9 390.1
Claims on OBI	-25.0	-25.0	-25.0	-25.0	-25.0	-25.0	-25.0	0.0	-2 034.7
Long term loans	2 742.6	2 606.7	1 786.3	1 289.8	1 409.9	1 426.1	1 449.5	325.6	0.0
Credit of NBR	9.0	9.0	9.0	9.0	430.9	314.4	229.6	121.2	768.0
Equity capital	3 927.7	4 475.8	4 345.5	4 745.4	5 985.3	6 119.0	6 204.8	5 847.1	18 573.6
Other items net	-631.7	-1 053.3	871.3	1 785.0	851.2	178.8	750.4	-2 304.4	-6 974.1

* Constituted by the monetary situation and integrated situation of other banking institutions.

Source: NBR, Department of Research

Table 11

STOCKS OF CREDIT TO THE ECONOMY BY SECTOR OF ACTIVITY* (in millions RWF. at end period)

Désignation	1995				1996				1997			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture. livestock. forestry and fisheries	137.7	75.2	190.8	403.7	68.1	47.5	105.3	220.9	65.5	151.8	105.9	323.2
2. Mining	0.0	0.0	12.6	12.6	0.0	0.0	12.6	12.6	16.8	0.0	12.6	29.4
3. Manufacturing	3 605.1	1 493.8	2 178.6	7 277.5	3 858.0	1 043.1	1 977.2	6 878.3	7 606.6	2 086.8	2 529.7	12 223.1
4. Energy and water	110.3	0.0	0.7	111.0	45.1	0.0	0.7	45.8	49.6	0.0	0.7	50.3
5. Public works and building	1 095.4	748.7	758.0	2 602.1	1 725.6	906.9	972.1	3 604.6	2 194.4	2 261.2	1 428.1	5 883.7
6. Trade. restaurants and hotels	12 256.7	716.8	277.0	13 250.5	13 132.3	1 085.7	309.3	14 527.3	19 214.2	2 541.7	707.7	22 463.6
7. Transport. storage and communications	553.4	843.7	132.5	1 529.6	764.3	604.5	39.7	1 408.5	950.3	1 501.0	38.0	2 489.3
8. OFI. insurance and real estate business	149.0	0.0	0.0	149.0	145.6	4.2	0.0	149.8	165.0	62.6	0.0	227.6
9. Services provided to the community	375.2	35.4	294.8	705.4	375.0	24.5	96.4	495.9	510.4	28.2	354.9	893.5
10. Activities not classified elsewhere	960.1	177.4	30.1	1 167.6	1 295.6	455.2	78.2	1 829.0	2 166.9	1 131.7	120.8	3 419.4
Total	19 242.9	4 091.0	3 875.1	27 209.0	21 409.6	4 171.6	3 591.5	29 172.7	32 939.7	9 765.0	5 298.4	48 003.1
Description	1998				1999				2000			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture. Livestock. forestry and fisheries.	224.5	316.0	192.0	732.5	415.7	234.2	554.9	1 204.7	339.2	258.7	368.9	966.7
2. Mining	0.5	25.9	12.6	39.0	0	24.521	12.614	37.1	0.0	10.1	12.6	22.8
3. Manufacturing	7 238.7	2 673.8	2 149.9	12 062.4	4 909.6	2 464.5	1 997.9	9 372.0	7 093.1	2 487.0	2 485.9	12 066.0
4. Energy and water	31.2	205.2	0.0	236.4	57.3	0.0	0.0	57.3	330.5	0.5	0.0	330.9
5. Public works and building	2 589.8	3 717.1	2 210.0	8 516.9	3 026.8	5 343.9	3 904.6	12 275.2	3 077.6	5 034.0	5 923.7	14 035.3
6. Trade. restaurants and hotels	21 797.6	2 910.0	1 033.4	25 741.0	25 666.8	3 800.8	1 087.0	30 554.6	25 501.7	3 740.2	1 257.2	30 499.1
7. Transport. storage and communications	812.4	3 239.2	114.4	4 166.0	746.0	2 518.3	532.5	3 796.8	1 411.2	2 274.5	636.7	4 322.4
8. OFI. insurance and real estate business	202.9	114.5	0.0	317.4	307.2	101.2	0.0	408.4	297.1	35.4	0.0	332.5
9. Services provided to the community	650.0	96.9	700.8	1 447.7	2 612.8	140.0	690.3	3 443.1	3 332.5	149.7	617.2	4 099.4
10. Activities not classified elsewhere	2 774.3	1 512.2	212.2	4 498.7	3 271.8	1 629.4	369.5	5 270.7	3 645.4	1 024.9	201.8	4 872.1
Total	36 321.9	14 810.3	6 625.3	57 758.0	41 013.9	16 256.7	9 149.4	66 419.9	45 028.3	15 015.0	11 503.8	71 547.2
Description	2001				2002				2003			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture. livestock. forestry and fisheries	248.9	254.6	561.3	1 064.8	158.0	449.9	882.8	1 490.6	529.2	714.0	996.2	2 239.3
2. Mining	0.0	0.0	12.6	12.6	0.0	15.6	12.6	28.2	0.0	13.6	30.1	43.7
3. Manufacturing	7 517.6	3 161.6	2 343.8	13 023.0	5 830.6	1 891.1	4 321.8	12 043.4	5802.7	3 796.7	4 260.7	13 860.0
4. Energy and water	459.0	0.5	0.0	459.5	258.2	0.5	0.0	258.7	312.2	0.5	0.0	312.7
5. Public works and building	3 290.6	5 371.5	6 444.5	15 106.6	5 027.2	5 638.2	7 510.6	18 175.9	5246.9	9230.2	8008.8	22 485.8
6. Trade. restaurants and hotels	30 682.4	4 344.6	1 677.4	36 704.4	30 359.0	3 492.2	2 275.1	36 126.4	32 378.6	5 448.3	3 349.4	41 176.2
7. Transport. storage and communications	1 773.8	3 256.1	644.1	5 674.0	3 238.0	4 290.1	683.7	8 211.9	4 554.7	5 082.8	642.8	10 280.3
8. OFI. insurance and real estate business	408.5	282.3	0.0	690.8	579.0	325.0	0.0	904.0	431.9	307.8	0.0	739.7
9. Services provided to the community	3 161.8	260.3	641.7	4 063.8	4 582.2	242.5	1 279.4	6 104.1	1 183.1	408.0	1 718.7	3 309.8
10. Activities not classified elsewhere	3 476.6	875.5	272.4	4 624.5	4 903.2	841.1	256.5	6 000.8	4 087.9	1 630.1	664.7	6 382.8
Total	51 019.2	17 807	12 597.8	81 424.0	54 935.5	17 186.0	17 222.6	89 344.1	54 527.1	26 631.8	19 671.4	100 830.3

* Disbursable credits

Source: NBR. Monetary and Financial Market

NEW CREDITS BY SECTOR OF ACTIVITY* (In millions of RWF)

Table 12

Description	1995				1996				1997			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture, livestock, forestry and fisheries	119.9	0.0	34.0	153.9	39.7	15.2	22.2	77.1	65.5	151.8	105.9	323.2
2. Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.8	0.0	12.6	29.4
3. Manufacturing	2 480.0	0.0	0.0	2 480.0	1 545.0	204.0	19.2	1 768.1	7 606.6	2 086.8	2 529.7	12 223.1
4. Energy and water	327.1	0.0	0.0	327.1	281.3	0.0	0.0	281.3	49.6	0.0	0.7	50.3
5. Public works and building	516.2	22.2	93.4	631.8	731.0	365.9	165.7	1 262.7	2 194.4	2 261.2	1 428.1	5 883.7
6. Trade, restaurants and hotels	7 878.9	301.5	0.0	8 180.4	15 904.8	916.8	25.5	16 847.1	19 214.2	2 541.7	707.7	22 463.6
7. Transport, storage and communications	398.9	259.1	125.0	783.0	705.7	180.2	4.0	890.0	950.3	1 501.0	38.0	2 489.3
8. OFI, insurance and real estate business	5.8	0.0	0.0	5.8	67.2	7.5	0.0	74.7	165.0	62.6	0.0	227.6
9. Services provided to the community	449.0	3.0	0.0	452.0	281.3	0.5	0.0	281.8	510.4	28.2	354.9	893.5
10. Activities not classified elsewhere	488.4	57.9	0.0	546.2	522.6	443.4	55.6	1 021.6	2 166.9	1 131.7	120.8	3 419.4
Total	12 664.1	643.7	252.4	13 560.2	20 078.7	2 133.5	292.2	22 504.4	32 939.7	9 765.0	5 298.4	48 003.1
Description	1998				1999				2000			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture, livestock, forestry and fisheries	236.9	172.4	227.0	636.3	880.4	172.6	533.5	1 586.5	89.2	154.7	28.0	271.9
2. Mining	5.5	28.0	0.0	33.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Manufacturing	5 235.1	2 436.3	483.1	8 154.5	4 460.2	105.0	1 120.1	5 685.2	3 626.9	604.6	562.5	4 794.0
4. Energy and water	201.1	95.0	0.0	296.1	393.1	0.0	0.0	393.1	329.3	0.0	0.0	329.3
5. Public works and building	1 106.4	1 677.1	720.9	3 504.4	1 627.6	2 837.3	2 062.4	6 527.3	1 217.9	1 784.4	2 758.9	5 761.2
6. Trade, restaurants and hotels	26 314.1	1 733.5	390.7	28 438.3	25 292.9	1 455.8	448.8	27 197.4	24 158.4	1 012.2	460.1	25 630.7
7. Transport, storage and communications	363.9	2 518.9	97.1	2 979.9	636.3	1 162.7	615.7	2 414.7	2 304.0	514.6	147.0	2 965.5
8. OFI, insurance and real estate business	205.2	60.4	0.0	265.6	400.8	36.5	0.0	437.3	148.0	0.0	0.0	147.9
9. Services provided to the community	243.4	74.9	348.1	666.4	3 890.9	225.5	12.8	4 129.2	5 458.4	73.1	95.7	5 627.2
10. Activities not classified elsewhere	1 221.6	1 159.4	86.3	2 467.3	1 246.8	1 062.1	713.5	3 022.4	1 152.9	1 021.6	100.7	2 275.3
Total	35 133.2	9 955.9	2 353.2	47 442.3	38 828.9	7 057.4	5 506.8	51 393.2	38 484.8	5 165.3	4 152.8	47 802.9
Description	2001				2002				2003			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture, livestock, forestry and fisheries	38.2	131.4	470.0	639.6	70.7	582.8	792.1	1 445.6	568.1	880.6	851.2	2 299.9
2. Mining	0.0	0.0	0.0	0.0	0.0	15.0	0.0	15.0	0.0	0.0	136.0	136.0
3. Manufacturing	3 540.7	821.7	228.0	4 590.4	3 978.7	321.1	2 909.4	7 209.1	5 565.1	3 303.8	186.0	9 054.9
4. Energy and water	657.1	211.0	0.0	868.1	78.2	0.0	5.0	83.2	116.6	0.0	0.0	116.6
5. Public works and building	1 415.0	2 137.2	2 755.4	6 307.6	3 793.7	2 333.1	4 244.3	10 371.1	4 550.3	4 174.4	1 971.4	10 696.0
6. Trade, restaurants and hotels	17 342.6	1 351.7	796.5	19 490.8	14 975.9	934.1	2 300.5	18 210.4	26 593.8	4 797.2	1 661.0	33 051.9
7. Transport, storage and communications	1 090.0	1 921.4	0.0	3 011.4	2 647.7	2 516.0	1 708.2	6 871.9	2 671.2	2 713.4	314.0	5 698.7
8. OFI, insurance and real estates business	165.3	255.0	0.0	420.3	844.2	52.0	489.8	1 386.0	404.6	0.0	0.0	404.6
9. Services provided to the community	3 311.3	6.0	214.0	3 531.3	2 642.4	80.0	1 927.3	4 649.7	2 682.8	276.7	1 610.8	4 570.4
10. Activities not classified elsewhere	875.0	491.8	134.5	1 501.3	703.0	541.2	218.7	1 462.8	969.8	1 224.3	379.1	2 573.2
Total	28 435.2	7 327.2	4 598.4	40 360.8	29 734.4	7 375.1	14 595.2	51 704.7	38 138.2	14 092.8	6 736.8	58 967.9

* Disbursable credits

Source: NBR, Monetary and Financial Market

Table 13

INTEREST RATES (in %)

Description	1999				2000				2001				2002				2003			
	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec
Deposit rate	8.64	9.60	9.06	9.12	9.20	9.44	9.41	10.11	9.69	10.16	9.91	10.18	10.15	10.05	8.96	9.02	8.88	9.19	9.30	9.43
Lending rate	15.88	16.10	16.32	16.84	15.59	16.85	16.43	16.99	16.93	15.79	18.21	17.29	16.75	16.67	17.25	16.37	14.87	16.85	16.35	16.5
Interbank money market rate	8.00	8.40	8.50	8.90	9.15	7.18	9.60	8.69	9.97	10.15	10.00	11.14	9.73	10.19	10.04	9.91	9.10	9.52	10.80	10.38
Money market rate																				
- for liquidity draining	7.38	-	-	-	-	-	-	-	9.94	7.63	7.63	9.50	8.44	7.51	9.82	10.50	10.24	9.29	11.01	11.63
- for liquidity injection	-	7.13	7.69	-	-	9.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refinancing rate	11.56	11.13	10.69	11.19	11.19	11.06	11.25	11.69	11.94	9.63	13.00	13.00	13.00	12.02	13.20	13.00	13.00	13.50	14.50	14.50
Weighted average rate on treasury bills	9.81	9.81	-	9.81	9.81	-	10.44	-	-	-	8.75	9.25	8.50	8.30	9.84	10.49	10.5	10.69	11.50	12.7

Source: NBR, Monetary and Financial Market Department

AVERAGE FOREIGN EXCHANGE RATES FOR MAJOR FOREIGN CURRENCIES QUOTED AT NBR

Table 14

(In FRW)

Description	1USD	1FB	1DM	1FF	1Estg	1YEN	1SDR	1EURO
1995	290.00	8.94	183.96	52.81	412.48	2.81	398.35	340.15
1996	306.53	9.91	203.94	59.94	478.38	2.82	444.31	384.07
1997	302.36	8.47	174.89	51.88	495.40	2.51	415.47	341.88
1998	314.18	8.67	178.84	53.11	520.01	2.41	428.30	353.03
1999	335.27	8.87	184.73	54.55	541.85	2.94	459.62	356.61
2000	390.02	8.91	183.71	54.77	589.76	3.62	512.21	358.19
2001	443.07	9.83	202.85	60.36	637.91	3.65	563.92	396.79
2002	475.32				392.35	2.16	340.56	449.65
2003	537.34				879.34	4.65	746.42	608.28
2000								
January	350.83	8.82	182.02	54.27	575.61	3.34	480.36	356.00
February	360.20	8.78	181.17	54.02	577.22	3.30	488.82	354.32
March	364.08	8.71	179.67	53.57	575.12	3.41	488.81	351.40
April	367.33	8.63	178.03	53.08	582.15	3.49	492.53	348.19
May	375.89	8.43	173.86	51.84	566.20	3.48	492.49	342.04
June	380.49	8.93	184.23	54.93	573.36	3.59	506.04	360.33
July	392.22	9.16	188.75	56.28	591.80	3.64	519.48	369.16
August	404.81	9.09	187.57	55.93	603.83	3.75	529.87	366.85
September	411.84	8.92	183.90	54.83	591.38	3.86	509.32	359.68
October	416.64	8.85	182.61	54.43	605.87	3.85	536.53	357.16
November	426.14	9.04	186.35	55.56	607.73	3.91	546.61	349.23
December	429.79	9.52	196.32	58.55	626.85	3.84	555.63	383.98
Annual average	390.02	8.91	183.71	54.77	589.76	3.62	512.21	358.19
2001								
January	432.24	10.06	207.45	63.21	639.50	3.70	563.64	405.71
February	434.25	9.93	204.73	61.04	631.76	3.74	561.79	400.42
March	434.28	9.80	202.21	60.29	627.67	3.59	555.59	395.49
April	436.50	9.64	198.84	59.29	626.15	3.53	552.63	388.90
May	439.10	9.53	196.65	58.63	626.41	3.60	554.55	384.62
June	440.44	9.31	192.12	54.51	617.40	3.61	551.71	375.75
July	443.44	9.45	194.95	58.13	626.71	3.56	554.99	381.28
August	441.90	9.84	202.92	60.50	634.41	3.63	562.24	396.87
September	446.00	10.07	207.76	61.95	652.11	3.75	573.15	406.34
October	452.64	10.16	209.63	62.51	656.30	3.73	578.21	410.64
November	457.13	10.07	207.60	61.90	656.75	3.74	579.57	406.03
December	458.92	10.15	209.32	62.41	659.79	3.62	578.99	409.40
Annual average	443.07	9.83	202.85	60.36	637.91	3.65	563.92	396.79
2002								
January	456.81				655.00	3.45	570.48	403.80
February	459.70				654.11	3.44	570.66	400.01
March	461.56				656.23	3.52	575.32	403.78
April	463.27				667.56	3.54	580.18	409.69
May	466.39				680.48	3.69	593.43	426.97
June	469.00				694.81	3.80	606.62	447.28
July	470.05				730.84	3.99	623.23	466.95
August	480.62				739.52	4.03	632.47	469.95
September	484.46				753.33	4.02	637.85	475.45
October	488.62				761.47	3.95	640.47	479.54
November	496.36				781.21	4.08	656.90	497.04
December	507.02				803.39	4.16	674.24	515.76
Annual average	475.32				714.83	3.81	613.49	449.69
2003								
January	511.25				826.50	4.31	692.44	542.50
February	512.48				831.09	4.29	696.98	553.17
March	513.44				813.37	4.33	697.25	554.82
April	519.50				817.31	4.34	704.30	563.05
May	524.92				850.84	4.47	729.59	605.58
June	532.48				876.74	4.55	745.59	613.63
July	532.48				876.74	4.55	745.59	613.63
August	547.97				876.93	4.60	752.69	615.20
September	554.80				889.59	4.81	765.51	620.30
October	559.55				937.31	5.11	793.48	654.64
November	564.42				952.66	5.17	801.07	658.90
December	574.84				1002.99	5.33	832.50	703.95
Annual average	537.34				879.34	4.65	746.42	608.28

Source: NBR. Department of Research

CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT

Table 15

(in billions of RWF)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL REVENUE AND GRANTS	61.5	70.8	95.9	99.0	102.5	132.8	149.6	160.2	195.4
Total revenue	23.1	39.4	58.1	66.0	63.6	68.7	86.2	101.1	122.3
Current revenue	23.1	39.4	58.1	66.0	63.6	68.7	86.2	101.1	122.3
Tax revenue	21.7	36.2	55.0	62.6	60.4	65.4	79.5	94.5	114.3
Direct taxes	2.9	10.3	14.6	18.3	15.8	18.6	24.5	30.2	34.7
Income taxes	2.8	10.0	14.6	18.3	15.2	18.0	23.9	29.5	34.0
Tax on property	0.1	0.3	0.0	0.0	0.6	0.6	0.6	0.7	0.7
Indirect taxes	18.8	25.9	40.4	44.3	44.6	46.8	55.0	64.3	79.6
Taxes on goods and services	9.9	14.4	21.9	28.5	33.6	35.2	41.0	47.6	57.5
Taxes on external trade	8.9	11.5	18.5	15.8	11.0	11.6	14.0	16.7	22.1
Non-tax revenue	1.4	3.2	3.1	3.4	3.2	3.3	6.7	6.6	7.7
Capital revenue	-	-	-	-	-	-	-	-	-
Grants	38.4	31.4	37.8	33.0	38.9	64.1	63.4	59.1	73.1
Current grants	12.0	0.1	2.8	3.5	17.4	40.0	33.9	39.3	51.0
Capital grants	26.4	31.3	35.0	29.5	21.5	24.1	29.5	19.8	22.1
TOTAL EXPENDITURE	69.4	95.1	110.0	117.5	127.8	136.4	158.1	164.9	217.8
Current expenditure	42.1	55.7	63.9	75.2	87.0	94.3	107.5	123.6	162.7
Wages and salaries	13.6	19.1	28.7	28.9	34.4	36.7	39.0	40.6	44.0
Civil	6.2	10.2	13.6	12.3	17.9	20.6	22.8	24.1	28.3
Military	7.4	8.9	15.1	16.6	16.5	16.1	16.2	16.5	15.7
Purchase of goods and services	17.4	25.0	21.2	25.5	26.8	24.4	29.4	35.1	45.7
Civil	10.1	11.3	13.0	14.9	17.0	16.6	20.4	27.3	37.1
Military	7.3	13.7	8.2	10.6	9.8	7.8	9.0	7.8	8.6
Interest payments on public debt	7.8	6.9	6.8	5.7	6.4	6.1	6.3	8.3	10.6
On domestic debt	4.0	2.9	3.0	1.9	2.3	2.8	1.3	2.1	3.2
On external debt	3.8	4.0	3.8	3.8	4.1	3.3	5.0	6.2	7.4
Transfers & Subsidies	3.3	3.0	6.2	9.3	11.5	15.6	15.1	20.4	22.2
Exceptional expenditure	0.0	1.7	1.0	5.8	7.9	11.5	17.7	19.2	40.2
Capital expenditure	27.3	39.4	46.1	42.3	40.8	42.1	50.0	40.7	51.1
Financed by domestic resources	0.0	0.0	0.2	2.6	5.4	1.5	3.5	6.9	13.2
Financed by external resources	27.3	39.4	46.0	39.8	35.5	40.6	46.5	33.8	37.9
Net lending	-	-	-	-	-	-	0.6	0.6	4.0
CURRENT DEFICIT (commitment basis)	-19.0	-16.5	-5.9	-9.3	-23.5	-25.6	-21.3	-34.8	-50.2
OVERALL DEFICIT (commitment basis)									
Excluding grants	-46.3	-55.9	-52.0	-51.5	-64.3	-67.7	-71.9	-74.8	-95.5
Including grants	-7.9	-24.5	-14.2	-18.6	-25.4	-3.6	-8.5	-15.7	-22.3
Change in arrears	13.3	9.4	1.6	-22.4	-4.9	-5.8	-27.9	-1.7	-13.1
Domestic arrears	6.9	2.5	-4.2	-3.3	-6.0	-5.0	-11.2	-3.9	-1.0
External arrears	6.4	6.9	5.8	-19.1	1.1	-0.8	-16.7	2.2	-12.1
DEFICIT/SURPLUS (cash basis)	5.4	-15.1	-12.6	-41.0	-30.3	-9.4	-36.4	-17.4	-35.5
FINANCING	-5.4	15.1	12.6	41.0	30.3	9.4	36.4	31.1	27.2
External financing	7.4	12.9	12.0	39.6	25.8	18.0	39.4	30.5	21.9
Net loans	7.4	12.9	12.0	39.6	25.8	18.0	39.4	30.5	21.9
Domestic financing	-12.8	2.2	0.6	1.4	4.5	-8.6	-3.0	0.6	5.3
Banking system	-12.6	1.9	0.7	0.0	-1.8	-6.6	-5.1	3.0	5.3
Non banking system	-0.2	0.3	-0.1	1.4	6.3	-2.0	2.1	-2.4	0.0

Source: MINECOFIN. Department of Budget

Table 16

STOCK OF EXTERNAL PUBLIC DEBT

(In millions US\$ by donor. at end of period)

Description	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	609.83	535.63	613.42	785.94	840.67	862.92	876.92	987.44	1 028.19	1 011.04	1 019.12	1 159.93	1 259.97
IDA	393.57	358.10	393.06	477.43	513.39	534.60	557.73	641.82	692.59	693.89	713.97	827.2	904.34
AfDB-ADF	127.67	126.38	132.58	204.67	218.13	217.14	212.44	231.69	233.37	218.59	209.24	226.8	240.38
BADEA	22.26	23.10	34.36	31.76	30.43	31.44	32.47	33.50	33.90	33.43	29.44	26.18	22.86
OPEC	5.76	5.71	6.05	6.92	6.89	6.97	7.06	7.15	6.71	6.78	6.81	10.67	16.07
OTHERS	60.58	22.35	47.37	65.18	67.07	72.77	67.22	73.28	61.62	58.35	59.66	68.12	75.32
BILATERAL DEBT	120.70	109.22	119.20	131.33	137.30	139.06	158.00	162.71	157.19	153.09	133.90	148.4	159.15
CHINA	25.54	19.48	20.05	23.01	24.10	26.30	31.24	31.86	31.98	32.15	16.45	21.16	20.19
FRANCE	23.38	27.25	31.41	40.95	45.31	43.33	39.25	44.23	37.98	35.18	33.60	40.17	48.63
KUWAIT	26.70	21.74	23.80	17.28	17.94	19.67	28.39	29.30	29.31	29.41	29.30	30.46	31.66
SAUDI ARABIA	24.31	22.47	22.87	19.31	19.19	20.03	29.29	29.83	29.82	30.56	30.60	30.19	29.91
JAPAN	9.88	10.57	12.56	13.77	13.73	12.45	11.29	12.87	15.20	13.55	11.90	13.2	14.84
OTHERS	10.90	7.71	8.51	17.01	17.03	17.29	18.53	14.62	12.90	12.24	12.05	13.2	13.92
SUPPLIER CREDIT	25.04	25.19	21.11	25.99	25.28	25.10	23.57	12.48	11.20	10.63	10.29	11.54	12.66
TOTAL	755.57	670.03	753.74	943.27	1 003.25	1 027.08	1 058.49	1 162.63	1 196.58	1 174.76	1 163.31	1 319.85	1 430.78

NB. : Debt to IMF and that secured by the Government are not taken into account

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

Development of Outstanding external debt stock (including arrears on the principal)

Table 17

(in millions of RWF. by donor)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	242 669.08	254 746.48	259 968.82	318 243.92	354 319.46	429 849.74	463 814.71	587 370.15	777 524.90
IDA	152 830.90	162 602.80	169 922.69	212 261.72	242 081.82	298 681.95	328 541.63	423 372.70	524 760.91
AfDB-ADF	60 326.55	61 764.30	61 226.48	72 721.69	77 371.66	89 696.49	92 203.53	111 736.15	139 488.24
BADEA	7 868.56	8 039.60	8 053.04	8 741.59	11 847.68	14 389.86	13 630.02	13 399.31	13 265.24
OPEC	1 979.83	2 022.90	2 026.36	2 199.62	2 531.65	3 118.01	3 133.92	5 463.02	9 597.67
OTHERS	19 663.24	20 316.88	18 740.25	22 319.30	20 486.66	23 963.43	26 305.60	33 398.97	45 206.42
EIB	3 206.38	3 166.84	1 645.52	2 064.35	1 221.26	1 266.06	1 152.79	1 339.01	4 555.07
EU (EEC)	9 281.74	9 167.29	9 386.27	10 648.85	8 143.35	9 248.99	9 956.76	13 051.76	15 386.03
IFAD	7 175.12	7 982.75	7 708.46	9 606.09	11 122.05	13 448.38	15 196.06	19 008.20	25 265.32
BILATERAL DEBT	38 658.98	39 426.20	44 089.41	50 687.80	52 127.54	61 957.27	57 648.95	72 118.66	73 141.28
CHINA	7 173.05	7 998.90	9 518.20	10 537.40	11 177.63	13 838.83	6 458.82	10 831.34	11 716.97
FRANCE	12 654.68	12 070.10	10 589.11	14 628.74	13 275.86	15 138.90	15 362.65	20 214.64	7 941.67
KUWAIT	4 894.80	5 394.90	7 642.65	8 393.34	8 789.29	10 766.89	11 421.55	12 974.47	18 373.74
SAUDI ARABIA	5 401.84	5 658.40	8 146.57	8 853.04	9 351.33	11 516.36	14 064.91	15 452.87	17 356.42
JAPAN	3 745.76	3 401.80	3 035.73	3 698.44	5 313.21	5 833.95	5 433.97	6 666.38	8 428.73
OTHERS	4 788.84	4 902.16	5 156.54	4 577.16	4 220.23	4 861.48	4 907.05	5 978.96	2 227.59
AUSTRIA	4 201.37	4 292.69	4 299.81	3 631.31	3 294.67	3 755.99	3 809.02	4 909.19	1 033.86
ABU DHABI (FADEA)	357.82	374.83	539.57	587.36	619.37	762.39	812.70	900.35	1 015.77
LIBYA	229.65	234.64	317.16	358.50	306.19	343.10	285.32	169.42	177.95
SUPPLIER CREDIT	7 155.54	7 059.60	6 508.36	4 127.05	3 914.74	4 576.50	4 726.65	5 888.88	7 096.16
GRAND TOTAL	288 483.60	301 232.28	310 566.58	373 058.77	410 361.74	496 383.51	526 190.31	665 377.69	857 762.33

(in millions US\$ by donor)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	815.17	837.54	853.28	962.28	1 013.70	998.52	1 007.87	1 147.54	1 406.24
IDA	513.39	534.60	557.73	641.82	692.59	693.83	713.92	827.14	904.32
AfDB-ADF	202.65	203.07	200.96	219.89	221.36	208.36	200.36	218.30	240.38
BADEA	26.43	26.43	26.43	26.43	33.90	33.43	29.62	26.18	22.86
OPEC	6.65	6.65	6.65	6.65	7.24	7.24	6.81	10.67	82.87
OTHERS	66.05	66.80	61.51	67.49	58.61	55.67	57.16	65.25	77.90
EIB	10.77	10.41	5.40	6.24	3.49	2.94	2.51	2.62	7.85
EU (EEC)	31.18	30.14	30.81	32.20	23.30	21.49	21.64	25.50	26.51
IFAD	24.10	26.25	25.30	29.05	31.82	31.24	33.02	37.14	43.54
BILATERAL DEBT	129.86	129.62	144.71	153.27	149.14	143.92	125.27	140.90	126.04
CHINA	24.10	26.30	31.24	31.86	31.98	32.15	14.04	21.16	20.19
FRANCE	42.51	39.68	34.76	44.23	37.98	35.17	33.38	39.49	13.69
KUWAIT	16.44	17.74	25.09	25.38	25.15	25.01	24.82	25.35	31.66
SAUDI ARABIA	18.15	18.60	26.74	26.77	26.75	26.75	30.56	30.19	29.91
JAPAN	12.58	11.18	9.96	11.18	15.20	13.55	11.81	13.02	14.53
OTHERS	16.09	16.12	16.93	13.84	12.07	11.29	10.66	11.68	3.84
AUSTRIA	14.11	14.11	14.11	10.98	9.43	8.73	8.28	9.59	1.78
ABU DHABI	1.20	1.23	1.77	1.78	1.77	1.77	1.77	1.76	1.75
LIBYA	0.77	0.77	1.04	1.08	0.88	0.80	0.62	0.33	0.31
SUPPLIER CREDIT	24.04	23.21	21.36	12.48	11.20	10.63	10.27	11.51	12.23
GRAND TOTAL	969.07	990.37	1 019.35	1 128.02	1 174.04	1 153.08	1 143.41	1 299.94	1 544.52

NB.: Debt to IMF and that secured by the Government are taken into account

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

Development of debt stock by donors

Table 18

(in millions RWF)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	244 370.04	256 830.44	262 455.84	321 463.48	354 320.16	429 815.30	463 826.21	587 313.33	723 196.73
IDA	152 830.90	162 602.80	169 922.69	212 261.72	242 081.82	298 681.95	328 541.63	423 304.12	486 453.37
AfDB-ADF	60 326.55	61 764.30	61 226.48	72 721.69	77 371.66	89 696.49	92 203.53	111 736.15	129 302.49
BADEA	9 046.13	9 561.70	9 892.03	11 079.12	11 847.68	14 327.44	13 630.02	13 399.31	12 296.63
OPEC	2 050.17	2 120.70	2 150.67	2 363.33	2 531.65	3 145.56	3 133.92	5 463.02	8 644.19
OTHERS	20 116.29	20 780.94	19 263.98	23 037.62	20 487.36	23 963.86	26 317.11	33 410.74	44 581.87
EIB	3 341.01	3 360.35	1 839.29	2 379.86	1 221.26	1 266.06	1 152.79	1 339.01	4 222.58
EU (EEC)	9 450.89	9 378.84	9 716.23	11 051.01	8 143.01	9 249.85	9 958.60	13 051.76	14 259.96
IFAD	7 175.12	7 982.75	7 708.46	9 606.75	11 123.10	13 447.95	15 205.73	19 019.98	23 436.68
BILATERAL DEBT	41 286.75	42 299.06	48 136.95	53 813.10	54 941.25	65 588.42	60 303.35	75 682.70	69 175.06
CHINA	7 173.05	7 998.90	9 518.20	10 537.40	11 177.63	13 838.83	6 458.82	10 831.34	10 860.38
FRANCE	13 367.80	13 178.10	11 959.52	14 628.74	13 275.86	15 138.90	15 456.99	20 560.66	7 767.40
KUWAIT	5 520.68	5 982.90	8 648.97	9 688.44	10 245.43	12 672.65	13 482.76	15 590.04	17 030.19
SAUDI ARABIA	5 734.09	6 092.30	8 925.31	9 866.37	10 421.94	12 834.94	14 064.91	15 452.87	16 088.85
JAPAN	4 089.32	3 786.90	3 439.72	4 256.70	5 313.21	5 833.95	5 462.04	6 754.93	7 982.57
OTHERS	5 401.81	5 259.96	5 645.23	4 835.46	4 507.19	5 269.15	5 377.83	6 492.87	6 809.92
AUSTRIA	4 378.29	4 523.68	4 581.32	3 631.31	3 295.37	3 758.14	3 807.64	4 909.19	957.48
ABU DHABI (FADEA)	429.07	462.59	684.90	765.95	829.09	1 072.77	1 198.34	1 358.46	1 452.35
LIBYA	261.54	273.74	379.01	438.20	382.74	438.23	371.84	225.22	220.54
SUPPLIER CREDIT	7 685.06	8 148.70	7 182.29	4 127.05	3 914.74	4 576.50	4 726.65	5 888.88	
GRAND TOTAL	293 341.85	307 278.20	317 775.08	379 403.64	413 176.15	499 980.22	528 856.21	668 884.92	
(In millions US\$)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DEBT	820.89	844.39	861.44	972.01	1 013.70	998.44	1 007.89	1 147.42	1 344.46
IDA	513.39	534.60	557.73	641.82	692.59	693.83	713.92	827.00	904.34
AfDB-ADF	202.65	203.07	200.96	219.89	221.36	208.36	200.36	218.30	240.38
BADEA	30.39	31.44	32.47	33.50	33.90	33.28	29.62	26.18	22.86
OPEC	6.89	6.97	7.06	7.15	7.24	7.31	6.81	10.67	16.07
OTHERS	67.07	68.13	63.23	69.66	58.61	55.67	57.19	65.27	82.88
EIB	11.22	11.05	6.04	7.20	3.49	2.94	2.51	2.62	7.85
EU (EEC)	31.75	30.84	31.89	33.42	23.30	21.49	21.64	25.50	26.51
AFAD	24.10	26.25	25.30	29.05	31.82	31.24	33.04	37.16	43.57
BILATERAL DEBT	138.69	139.07	158.00	162.71	157.19	152.36	131.04	147.86	128.60
CHINA	24.10	26.30	31.24	31.86	31.98	32.15	14.04	21.16	20.19
FRANCE	44.91	43.33	39.25	44.23	37.98	35.17	33.59	40.17	14.44
KUWAIT	18.55	19.67	28.39	29.30	29.31	29.44	29.30	30.46	31.66
SAUDI ARABIA	19.26	20.03	29.30	29.83	29.82	29.82	30.56	30.19	29.91
JAPAN	13.74	12.45	11.29	12.87	15.20	13.55	11.87	13.20	14.84
OTHERS	17.03	17.29	18.53	14.62	12.90	12.24	11.69	12.69	12.66
AUSTRIA	14.71	14.87	15.04	10.98	9.43	8.73	8.27	9.59	1.78
ABU DHABI (FADEA)	1.44	1.52	2.25	2.32	2.37	2.49	2.60	2.65	2.70
LIBYA	0.88	0.90	1.24	1.33	1.10	1.02	0.81	0.44	0.41
SUPPLIER CREDIT	25.82	26.79	23.57	12.48	11.20	10.63	10.27	11.51	12.66
GRAND TOTAL	985.39	1 010.25	1 043.01	1 147.20	1 182.09	1 161.43	1 149.20	1 306.79	1 473.06

NB.: Debt to IMF and that secured are not taken into account

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

Development of outstanding guaranteed debt

Table 19

(in millions USD. by donor)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
EIB 1	0.61	0.59	0.53	0.56	0.48	0.44	0.42	0.50	0.58
EIB 2	3.20	3.10	2.80	2.53	2.09	1.87	1.71	1.94	0.11
EDF / EEC	0.70	0.60	0.57	0.54	0.44	0.39	0.35	0.40	0.47
AFDI	4.80	4.20	3.51	3.22	2.77	2.41	2.00	1.69	1.24
ADF II	4.50	4.00	3.52	4.14	5.22	4.80	4.06	3.76	3.21
AfDB	0.40	0.32	0.26	0.22	0.16	0.11	0.06	0.01	0.00
SHELTER Afrique(Goboka)									0.90
PTA Bank (BCDI)									5.81
TOTAL	14.21	12.81	11.19	11.21	11.16	10.02	8.60	8.30	12.32
(In millions of RWF. by donor)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
EIB 1	181.26	179.41	160.46	184.92	167.17	190.64	193.28	254.56	424.52
EIB 2	952.61	942.90	851.74	837.75	731.43	804.59	786.93	995.23	78.31
EDF/EEC	208.38	182.50	174.92	177.17	153.86	167.83	161.07	204.14	340.47
ADFI	1 428.91	1 277.47	1 069.82	1 065.09	966.63	1 036.01	920.39	867.17	1 052.73
ADF II	1 339.61	1 216.64	1 073.56	1 369.23	1 826.25	2 067.77	1 868.39	1 923.94	2 727.07
AfDB	119.08	97.10	79.79	72.06	57.03	45.68	27.61	3.17	0.00
SHELTER Afrique(Goboka)									522.25
PTA Bank (BCDI)									3 373.80
TOTAL	4 229.84	3 896.02	3 410.29	3 706.21	3 902.37	4 312.52	3 957.67	4 248.21	8 519.15

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

Development of outstanding external debt services

Table 20

(In millions of RWF. by donor)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DONORS	5 413.74	5 507.67	5 839.78	5 666.24	7 301.17	8 301.60	12 003.42	12 549.03	15 836.73
Principal	3 055.46	3 540.70	3 639.81	3 165.99	4 730.32	5 396.72	7 931.39	8 888.90	10 606.25
of which: IDA	1 015.00	1 415.90	1 558.67	1 668.56	1 953.05	2 449.42	3 702.33	5 032.24	6 565.01
AfDB-ADF	552.16	581.83	883.50	751.20	1 337.39	1 233.64	1 473.84	2 329.18	2 195.51
BADEA	755.60	909.30	787.95	41.89	670.54	780.04	1 692.38	1 601.90	1 845.74
Interests	2 358.28	1 966.98	2 199.97	2 500.24	2 570.85	2 904.88	4 072.04	3 660.13	5 230.48
of which: IDA	1 178.27	1 051.85	1 164.99	1 345.10	1 642.83	1 781.28	2 286.74	2 478.13	3 664.57
AfDB-ADF	640.32	520.94	559.37	568.67	719.49	875.21	873.17	1 144.09	1 140.80
BADEA	298.40	178.10	312.04	320.42	0.00	0.00	366.38	112.43	425.11
BILATERAL DONORS	2 259.61	2 439.70	2 713.68	1 803.69	2 197.54	2 457.68	1 879.95	3 674.34	3 863.67
Principal	1 557.72	1 831.70	1 838.95	1 438.44	1 477.12	1 649.02	1 264.74	2 529.52	2 599.10
Interests	701.89	608.00	874.73	365.25	720.43	808.67	615.21	1 144.82	1 264.57
SUPPLIER CREDITS	783.68	438.00	587.79	0.00	261.81	228.36	279.37	419.18	322.87
Principal	472.62	389.80	419.98	0.00	0.00	0.00	0.00	106.47	0.00
Interests	311.06	48.20	167.81	0.00	261.81	228.36	279.37	312.71	322.87
TOTAL SERVICES	8 457.03	8 385.37	9 141.25	7 469.93	9 760.53	10 987.64	14 162.75	16 642.56	20 023.27
Principal	5 085.80	5 762.20	5 898.74	4 604.44	6 207.44	7 045.74	9 196.13	12 121.23	13 205.35
Interests	3 371.23	2 623.18	3 242.51	2 865.49	3 291.28	3 713.54	4 687.25	5 513.97	6 817.92
(in millions USD. by donor)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL DONORS	20.65	17.97	19.31	18.04	21.78	21.29	27.09	26.40	29.43
Principal	11.65	11.55	12.04	10.08	14.11	13.84	17.90	18.70	19.71
of which: IDA	3.87	4.62	5.16	5.31	5.83	6.28	8.36	10.59	12.20
AfDB-ADF	2.11	1.90	2.92	2.39	3.99	3.16	3.33	4.90	4.08
BADEA	2.88	2.97	2.61	0.13	2.00	2.00	3.82	3.37	3.43
Interests	8.99	6.42	7.28	7.96	7.67	7.45	9.19	7.70	9.72
of which: IDA	4.49	3.43	3.85	4.28	4.90	4.57	5.16	5.21	6.81
AfDB-ADF	2.44	1.70	1.85	1.81	2.15	2.24	1.97	2.41	2.12
BADEA	1.14	0.58	1.03	1.02	0.00	0.00	0.83	0.24	0.79
BILATERAL DONORS	8.62	7.96	8.98	5.74	6.55	6.30	4.24	7.73	7.18
Principal	5.94	5.98	6.08	4.58	4.41	4.23	2.85	5.32	4.83
Interests	2.68	1.98	2.89	1.16	2.15	2.07	1.39	2.41	2.35
SUPPLIER CREDITS	2.99	1.43	1.94	0.00	0.78	0.59	0.63	0.88	0.60
Principal	1.80	1.27	1.39	0.00	0.00	0.00	0.00	0.22	0.00
Interests	1.19	0.16	0.56	0.00	0.78	0.59	0.63	0.66	0.60
TOTAL SERVICES	32.25	27.36	30.23	23.78	29.11	28.17	31.96	37.10	37.21
Principal	19.40	18.80	19.51	14.66	18.51	18.07	20.75	25.50	24.54
Interests	12.86	8.56	10.72	9.12	9.82	9.52	10.58	11.60	12.67

Source: NBR. Foreign Exchange and Balance of Payments Department

Development of Drawings by Donor

Table 21

(in millions of RWF)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL CREDITORS	12 328.90	16 818.60	19 600.75	26 740.80	27 329.87	28 081.07	39 455.89	41 810.13	19 714.10
IDA	6 432.38	12 852.30	16 026.61	21 390.00	23 319.03	14 767.05	23 720.98	34 859.22	13 070.45
AfDB-ADF	5 896.52	3 002.00	3 287.60	4 346.05	3 195.12	1 588.17	5 246.74	3 284.84	1 475.29
IFAD	0.00	964.30	286.55	1 004.75	815.71	1 554.04	2 482.11	1 146.20	1 497.09
BADEA	0.00	0.00	0.00	0.00	0.00	466.16	0.00	52.55	0.00
OPEC	0.00	0.00	0.00	0.00	0.00	0.00	2 658.57	2 106.82	3 241.80
OTHERS	0.00	0.00	0.00	0.00	0.00	9 705.66	5 347.49	360.51	429.47
BILATERAL CREDITORS	0.00	389.40	1 507.35	94.19	40.55	63.53	503.27	695.76	0.00
CHINA	0.00	33.40	1 507.35	94.19	40.55	63.53	503.27	695.76	0.00
CFD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KUWAIT FUND	0.00	356.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAUDI FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECD JAPAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUPPLIER CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which:									
BNP-AMSTERD.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SEE-CANADA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COFACE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BNP-PARIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	12 328.90	17 208.00	21 108.10	26 834.99	27 370.42	28 144.60	39 959.15	42 505.89	19 714.10
(In millions US\$)									
Description	1995	1996	1997	1998	1999	2000	2001	2002	2003
MULTILATERAL CREDITORS	47.02	54.87	64.83	85.11	81.52	72.00	89.05	87.96	40.91
IDA	24.53	41.93	53.01	68.08	69.55	37.86	53.53	73.34	26.40
AfDB-ADF	22.49	9.79	10.87	13.83	9.53	4.07	11.84	6.91	3.08
IFAD	0.00	3.15	0.95	3.20	2.43	3.98	5.60	2.41	4.11
BADEA	0.00	0.00	0.00	0.00	0.00	1.20	0.00	0.11	0.00
OPEC	0.00	0.00	0.00	0.00	0.00	0.00	6.00	4.43	6.51
OTHERS	0.00	0.00	0.00	0.00	0.00	24.88	12.07	0.76	0.81
BILATERAL CREDITORS	0.00	1.27	4.99	0.30	0.12	0.16	1.14	1.46	0.00
CHINA	0.00	0.11	4.99	0.30	0.12	0.16	1.14	1.46	0.00
CFD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KUWAIT FUND	0.00	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAUDI FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECD JAPAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUPPLIER CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which:									
BNP-AMSTERD.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SEE-CANADA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COFACE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BNP-PARIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	47.02	56.14	69.81	85.41	81.64	72.16	90.18	89.42	40.91

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

Development of arrears at the end of the period by donor

Table 22

(in millions of RWF)		1995		1996		1997		1998		1999		2000		2001		2002		2003	
Description		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERALS		4 664.95	1 713.75	6 496.10	2 108.93	7 458.98	2 518.07	9 213.43	3 219.18	2 088.08	173.83	2 367.75	241.02	124.85	10.90	0.00	0.00	0.00	0.00
IDA		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFAD		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.90	0.00	0.00	0.00	9.00	0.00	4.69	0.00	0.00
BADEA		2 975.89	1 190.86	3 990.40	1 522.08	4 790.99	1 839.12	5 782.41	2 337.53	349.53	0.00	0.00	0.00	83.30	0.00	0.00	0.00	0.00	0.00
OPEC		998.69	69.84	1 199.23	97.82	1 383.39	124.50	1 644.99	163.92	1 738.55	173.25	2 327.78	240.65	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS		690.37	453.05	1 306.47	489.03	1 284.61	554.45	1 786.03	717.30	-0.00	-0.31	39.97	0.37	41.56	1.90	0.00	0.00	0.00	0.00
BILATERALS		4 004.43	2 212.87	5 483.70	2 872.84	8 720.97	4 047.45	10 386.23	3 125.15	9 864.39	2 813.68	13 257.38	3 943.78	7 307.63	2 532.02	2 560.94	660.66	2329.59	661.75
CHINA		36.98	0.00	110.79	0.00	184.09	0.00	362.35	0.00	554.22	0.00	1 336.24	0.00	0.00	0.00	0.00	0.00	371.23	0.00
FRANCE		472.50	832.60	689.46	1 108.03	936.35	1 370.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 118.54	240.36	1345.03	484.21
KUWAIT		1 076.49	445.84	1 495.04	587.98	2 632.61	1 006.19	3 456.27	1 295.23	3 915.35	1 455.98	5 158.79	1 895.40	5 900.18	2 061.19	859.27	265.15	0.00	0.00
S. ARABIA		1 278.16	312.08	1 823.82	433.86	3 236.02	778.64	4 186.69	1 013.48	4 422.43	1 070.54	5 446.39	1 640.70	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN		820.19	342.28	948.88	385.11	1 028.87	403.86	1 475.22	558.11	0.00	0.00	0.00	0.00	0.00	0.00	313.87	52.29	322.81	102.22
OTHERS		320.10	280.06	415.72	357.86	703.04	488.49	905.70	258.33	972.38	287.15	1 315.97	407.68	1 407.45	470.83	269.25	102.86	290.53	75.32
SUPPL. CREDITS		4 643.50	872.16	5 066.31	1 089.10	5 061.41	1 190.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	114.65	48.39	0.00	236.73
GRAND TOTAL		13 312.88	4 798.78	17 046.10	6 070.87	21 241.36	7 756.15	19 599.67	6 344.33	11 952.47	2 987.51	15 625.13	4 184.80	7 432.48	2 542.92	2 675.58	713.74	2329.59	898.48
(in millions US\$)																			
Description		1995		1996		1997		1998		1999		2000		2001		2002		2003	
MULTILATERALS		15.67	5.76	21.36	6.93	24.48	8.26	27.86	9.73	5.97	0.50	5.50	0.56	0.27	0.02	0.00	0.01	0.00	0.00
IDA		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFAD		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00	0.00
BADEA		10.00	4.00	13.12	5.00	15.73	6.04	17.48	7.07	1.00	0.00	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00
OPEC		3.35	0.23	3.94	0.32	4.54	0.41	4.97	0.50	4.97	0.50	5.41	0.56	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS		2.32	1.52	4.30	1.61	4.22	1.82	5.40	2.17	-0.00	-0.00	0.09	0.00	0.09	0.00	0.00	0.00	0.00	0.00
BILATERALS		13.45	7.43	18.03	9.45	28.62	13.28	31.40	9.45	28.22	8.05	30.80	9.16	15.88	5.50	5.00	1.29	4.33	1.23
CHINA		0.12	0.00	0.36	0.00	0.60	0.00	1.10	0.00	1.59	0.00	3.10	0.00	0.00	0.00	0.00	0.00	0.69	0.00
FRANCE		1.59	2.80	2.27	3.64	3.07	4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.19	0.47	2.50	0.90
KUWAIT		3.62	1.50	4.92	1.93	8.64	3.30	10.45	3.92	11.20	4.17	11.98	4.40	12.82	4.48	1.68	0.52	0.00	0.00
S. ARABIA		4.29	1.05	6.00	1.43	10.62	2.56	12.66	3.06	12.65	3.06	12.65	3.81	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN		2.76	1.15	3.12	1.27	3.38	1.33	4.46	1.69	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.10	0.60	0.19
OTHERS		1.08	0.94	1.37	1.18	2.31	1.60	2.74	0.78	2.78	0.82	3.06	0.95	3.06	1.02	0.53	0.20	0.54	0.14
SUPPL. CREDITS		15.60	2.93	16.66	3.58	16.61	3.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.09	0.00	0.44
GRAND TOTAL		44.72	16.12	56.04	19.96	69.72	25.46	59.26	19.18	34.20	8.55	36.30	9.72	16.15	5.53	5.23	1.39	4.33	1.67

NB.: Secured debt not taken into account

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

BALANCE OF PAYMENTS FOR RWANDA (in millions US\$)

Table 23

Description	1998	1999	2000	2001	2002	2003
Trade Balance	-169.43	-187.89	-157.85	-131.47	-136.70	-154.7
1. Exports (fob)	64.14	62.01	69.04	93.55	67.4	63.1
of which - coffee	28.14	26.47	22.52	19.36	14.6	15.0
- tea	22.87	17.54	24.28	22.71	22.0	22.5
2. Imports (fob)	-233.56	-249.91	-226.89	-225.02	-204.1	-217.7
Net services	-149.07	-153.63	-174.83	-157.93	-159.7	-170.1
Net non-factor services	-140.80	-142.25	-159.48	-135.45	-140.6	-145.0
Net factor services	-8.27	-11.37	-15.35	-22.49	-19.1	-25.1
Balance of goods and services	-318.49	-341.52	-332.68	-289.41	-296.40	-324.8
Net current transfers	168.06	198.70	217.74	192.60	195.3	203.5
Net private transfers	19.35	18.15	11.03	21.74	24.5	29.4
Net official transfers	148.71	180.55	206.71	170.86	170.8	174.1
Current Balance (+net current transfers)	-150.43	-142.82	-114.94	-96.81	-101.2	-121.3
Capital and financial operations account	141.03	137.32	98.58	146.72	115.7	99.7
Capital account	67.29	70.70	62.67	68.70	41.7	65.3
<i>Capital transfers</i>	67.29	70.70	62.67	68.70	41.7	65.3
Debt relief	0.00	0.00	0.00	18.50	0.0	0.0
Transfers by immigrants	0.00	0.00	0.00	0.00	0.0	0.0
Other transfers of capital (of which in support of PIP)	67.29	70.70	62.67	50.20	41.7	65.3
Financial operations account	73.74	66.62	35.91	78.02	74.0	34.4
<i>Official capital (net)</i>	66.38	56.17	24.23	57.09	57.9	18.8
<i>Long term private capital (net)</i>	-0.50	-1.61	11.88	4.55	2.6	3.5
<i>Other capital</i>	7.86	12.06	-0.20	16.38	13.5	12.2
Short term capital	0.78	10.32	-8.26	12.62	10.9	10.0
Direct investment	7.08	1.74	8.06	3.76	2.6	2.1
Portfolio Investment						
Errors and Omissions	-7.86	-8.54	18.18	-36.65	8.1	-15.1
Overall balance	-17.26	-14.04	1.82	13.26	22.6	-36.7
Available financing (- increase)	17.26	14.04	-1.82	-13.26	-22.6	36.7
Change in net foreign assets of NBR	3.91	10.06	-9.77	-25.21	-29.6	28.2
a. Net credits of IMF	13.81	20.76	14.00	1.50	-6.0	-0.9
b. Changes in other gross official reserves of NBR (- incr.)	-16.10	-4.70	-16.47	-21.41	-31.6	29.8
c. Changes in other gross external liabilities (+ incr.)	6.20	-6.00	-7.30	-5.30	7.9	-0.7
Change in arrears	-14.15	-40.50	-8.04	-20.61	1.1	-16.2
Exceptional financing	27.50	44.47	15.99	32.56	5.9	24.7
Rescheduling	11.21	42.25	15.07	26.29	5.3	22.2
Cancellation (debt relief)	16.29	2.22	0.92	6.26	0.6	2.5
ALM (+ indicate need)	0.00	0.00	0.00	0.00	0.00	0.00
Memorandum items						
Gross reserves of NBR (Millions US\$)	164.18	174.17	190.64	212.05	243.00	213.2
Gross reserves in months of imports G&NFS	4.68	4.72	5.36	6.23	7.46	6.02
Gross reserves in months of imports GS	4.48	4.52	5.01	5.72	7.00	5.60
Gross reserves in months of imports of goods CIF	6.61	6.60	7.44	8.70	10.50	8.00
Gross reserves in months imports of goods FOB	8.44	8.36	10.08	11.31	14.30	10.80

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

RWANDA'S EXPORTS (FOB value. in millions US\$)

Table 24

Description	1998	1999	2000	2001	2002	2003
I. Coffee						
Value	28.14	26.47	22.52	19.36	14.65	15.01
as % of total exports (FOB)	43.87	42.69	32.62	20.70	21.75	23.81
change as % of the value	-37.82	-5.93	-14.91	-14.04	-24.34	2.46
Exported volume (Tons)	14997.66	18332.76	16089.12	17788.08	19 797	14 700
change as % of the volume	3.73	22.24	-12.24	10.56	11.29	-25.75
Unit price (US\$/kg)	1.88	1.44	1.40	1.09	0.74	1.01
change as % of the unit price	-40.05	-23.04	-3.05	-22.25	-32.02	36.49
Production of tradable coffee	14268.48	18817.44	16098.30	18267.30	19426.64	14175
Annual change in the production of tradable coffee	-0.04	0.32	-0.14	0.13	0.06	-27.03
II. Tea						
Value	22.87	17.54	24.28	22.71	22.02	22.52
as % of total exports (FOB)	35.65	28.28	35.16	24.28	32.69	35.72
change as % of the value	10.94	-23.30	24.33	-6.46	-3.03	2.26
Exported volume (Tons)	15129.25	12709.66	13717.00	15165.78	14574.12	14331
change as % of the volume	16.71	-15.99	7.93	10.56	-3.90	-1.67
Unit price (US\$/kg)	1.51	1.38	1.77	1.50	1.51	1.57
change as % of the unit price	-4.94	-8.69	28.26	-15.40	0.90	3.90
Production of dry tea	14873.00	12969.80	14391.43	17814.57	14948.00	15483
Annual change of the production of dry tea	0.12	-0.13	0.11	23.79	-16.09	3.58
III. Mining products						
Value	4.69	6.93	12.58	42.63	15.87	11.09
% of total exports (FOB)	7.31	11.18	18.22	45.57	23.59	17.59
change as % of the value	47.89	47.89	81.48	238.95	-62.77	-30.14
Exported volume (Tons)	509.70	943.00	1111.81	2256.61	2083.08	2310.00
change as % of the volume	85.01	85.01	17.90	102.97	-7.69	10.89
Tin						
Value	0.41	1.17	0.95	1.13	1.41	4.49
as % of total exports (FOB)	0.64	1.89	1.38	1.21	2.09	7.12
change as % of the value	-57.36	182.93	-18.41	18.67	24.27	219.20
Exported volume (Tons)	188.68	529.00	365.04	554.85	672.07	1458
change as % of the volume	-42.37	180.37	-30.99	52.00	21.13	116.94
Unit price (US\$/kg)	2.19	2.21	2.61	2.04	2.09	3.08
change as % of unit price	-26.01	0.91	18.24	-21.93	2.60	47.16
Colombo tantalite						
Value	2.46	4.63	11.35	41.10	13.95	6.37
as % of total exports (FOB)	3.83	7.47	16.44	43.93	20.71	10.10
change as % of the value	-7.92	88.35	145.15	262.10	-66.06	-54.33
Exported volume (Tons)	198.88	330.00	602.77	1540.21	1086.32	732.00
change as % of the volume	-12.73	65.93	82.66	155.52	-29.47	-32.62
Unit price (US\$/kg)	12.36	14.03	18.83	26.68	12.84	8.69
change as % of the unit price	5.51	13.51	34.21	41.71	-51.88	-32.32
Wolfram						
Value	0.23	0.11	0.27	0.40	0.52	0.23
as % of total exports (FOB)	0.36	0.18	0.40	0.43	0.77	0.36
change as % of the value	71.82	-51.45	147.53	47.16	28.63	-55.73
Exported volume (Tons)	122.14	84.00	144.00	161.56	324.69	120.00
change as % of the volume	93.87	-31.23	71.43	12.19	100.98	-63.04
Unit price (US\$/kg)	1.87	1.32	1.91	2.50	1.60	1.89
change as % of the unit price	-11.37	-41.06	44.39	31.16	-36.00	18.125
Gold						
Value	1.59	1.02	-	-	-	-
as % of total exports (FOB)	2.47	1.65	-	-	-	-
change as % of the value	3056.27	-35.64	-	-	-	-
Exported volume (Tons)	0.19	0.20	-	-	-	-
change as % of the volume	3035.59	9.19	-	-	-	-
Unit price (US\$/kg)	8578.00	5056.00	-	-	-	-
change as % of the unit price	0.66	-41.06	-	-	-	-

Table 24 cont.

Description	1998	1999	2000	2001	2002	2003
IV. Hides and skins						
Value	2.03	0.54	0.43	0.78	2.64	3.78
as % of total exports (FOB)	3.17	0.87	0.62	0.84	3.92	6.00
change as % of the value	-55.37	-73.59	-20.61	83.28	237.54	43.26
Exported volume (Tons)	876.66	632.00	479.48	510.90	1983.82	2728.00
change as % of the volume	-45.56	-27.91	-24.13	6.55	288.30	37.51
Unit price (US\$/kg)	2.32	0.85	0.89	1.53	1.33	1.39
change as % of the unit price	-18.02	-63.36	4.65	72.01	-13.07	4.51
V. Pyrethrum extracts						
Value	0.90	0.31	0.00	1.77	1.05	1.28
as % of total exports (FOB)	1.40	0.51	0.00	1.89	1.56	2.02
change as % of the value	-73.26	-65.11	-	-	-40.57	21.60
Exported volume (Tons)	13.96	4.80	0.00	21.60	13.12	20.00
change as % of the volume	-69.55	-65.62	-	-	-39.26	52.44
Unit price (US\$/kg)	64.49	65.44	0.00	82.00	80.23	64.00
change as % of the unit price	-12.20	1.47	-	-	-2.16	-20.23
VI. Others						
Value	5.44	10.15	9.17	5.14	8.53	9.12
as % of total exports (FOB)	8.48	16.37	13.28	5.49	12.67	14.46
change as % of the value	-62.38	86.58	-9.66	-43.95	65.89	6.96
Other products (ordinary exports)	--	--	--	2.64	2.74	2.37
Re-exports	--	--	--	2.50	5.79	6.75
Sub- Total	64.07	61.94	68.98	92.40	64.69	62.80
VII. Adjustments	0.07	0.07	0.07	1.15	2.60	0.25
Electricity	0.07	0.07	0.07	1.15	2.60	0.25
Post mails	--	--	--	--	--	--
126 models	--	--	--	--	--	--
TOTAL	64.14	62.01	69.04	93.55	67.40	63.10

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

RWANDA'S IMPORTS (FOB Value in millions US\$)

Table 25

Description	1998	1999	2000	2001	2002	2003
I. Capital goods						
Value	60.17	55.37	33.03	30.61	37.92	40.72
as % of CIF total value	20.20	17.48	10.74	9.51	13.61	14.03
change in value (%)	-2.54	-7.98	-40.35	-7.33	23.88	7.39
change in volume (%)	-0.31	-13.31	-	-	3.90	3.90
change in price (%)	-1.36	--	-	-	-	3.35
II. Intermediate goods						
Value	65.67	47.95	43.32	43.75	45.30	43.84
as % of CIF total value	22.05	15.14	14.08	13.59	16.27	15.1
change in value (%)	-6.88	-26.98	-9.66	0.98	3.55	-3.30
change in volume (%)	-1.58	-43.33	30.04	-	10.00	-23.9
change in price (%)	-1.36	--	-	-	-7.30	-
III. Energy and lubricants						
Value	34.82	40.92	44.92	41.22	40.40	40.53
as % of CIF total value	11.69	12.92	14.60	12.80	14.51	13.96
change in value (%)	8.98	17.52	9.79	-8.25	-1.98	0.10
change in volume (%)	46.60	1.65	-11.69	-5.30	-23.60	2.40
change in price (%)	-14.20	--	24.30	-12.63	31.40	-
IV. Goods for final consumption						
Value	132.93	167.15	137.26	143.78	124.41	134.18
as % of CIF total value	44.63	52.78	44.61	53.85	44.67	46.23
change in value (%)	-25.29	25.74	-17.88	26.32	-13.47	7.85
change in volume (%)	-	-13.94	50.26	-	-29.70	2.1
change in price (%)	-	--	-	-	-1.20	-7.51
1. Foodstuffs						
Value	57.44	34.61	46.59	51.66	25.20	28.33
as % of CIF total value	19.28	10.93	15.14	16.04	9.05	9.76
change in value (%)	7.28	-39.75	34.61	10.88	-51.22	12.44
change in volume (%)	5.43	-44.83	37.80	-	-57.68	6.00
change in price (%)	-12.70	--	-0.50	-	-2.20	7.41
2. Others						
Value	75.49	132.54	90.67	92.12	99.21	105.85
as % of CIF total value	25.34	41.85	29.47	37.80	35.62	36.47
change in value (%)	-37.01	75.57	-31.59	34.25	7.70	6.60
change in volume (%)	-10.70	130.87	-4.53	-	2.40	7.00
change in price (%)	-1.36	--	-16.60	-	-20.40	7.57
S/TOTAL	293.59	311.39	258.53	259.35	248.03	259.27
change as %	--	-5.72	20.44	11.77	-4.37	4.53
V. Adjustments						
Value	4.27	5.31	49.14	33.03	30.48	30.48
as % of CIF total value	1.43	1.68	15.97	10.26	9.56	10.94
Electricity	4.27	5.31	6.52	10.55	9.06	9.06
as % of CIF total value	1.43	1.68	2.12	3.61	2.84	3.25
Post mails	--	--	--	2.00	1.36	1.36
Others (of which)	0.00	0.00	42.62	24.16	20.06	20.06
126 BIS	--	--	23.84	24.16	20.06	20.06
as % of CIF total value	--	--	7.75	7.50	6.29	7.20
DMC at customs border posts	--	--	18.78	--	--	--
Discrepancies between ASYCUDA and DMC data (NBR)	--	--	--	--	--	--
as % of CIF total value	0.00	0.00	6.10	--	--	--
VI. Imports cif	297.86	316.70	307.68	292.38	278.51	290.25
% change	--	0.06	-0.03	4.65	-4.75	4.21
VII. Freight + Insurance						
Value	64.30	66.79	80.79	67.36	74.36	72.5
as % of CIF	21.90	21.45	26.83	23.90	26.70	24.98
% change of the ratio freight and insurance	--	-2.05	25.06	-10.90	11.72	-3.92
TOTAL	233.56	249.91	226.89	225.02	204.15	217.74
% change	--	7.00	-9.21	-0.81	-9.27	6.66

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

SERVICES

Table 26

Description	1998	1999	2000	2001	2002	2003
Net services	-149.07	-153.63	-174.83	-157.93	-159.69	-170.10
Net non-factor services	-140.80	-142.25	-159.48	-135.45	-140.60	-145.0
Credit	46.92	51.08	40.60	48.23	46.06	62.37
Freight and insurance	5.43	5.78	5.55	5.44	2.22	4.47
Other transportation	3.54	9.33	8.62	8.61	10.03	9.89
Travel	18.97	17.00	4.27	9.36	31.10	26.02
Other services and incomes	18.98	18.98	22.16	24.82	22.01	21.99
- officials (foreign governments)	16.31	14.66	18.72	20.41	17.72	17.88
- private	2.67	4.32	3.44	4.41	4.29	4.12
Debit	-187.72	-193.34	-200.08	-183.68	-201.68	-207.40
Freight and insurance (71% of shipping charges of imported goods)	-45.65	-47.42	-57.36	-47.82	-60.45	-51.48
Other transportation	-21.23	-25.02	-24.94	-25.31	-28.88	-39.22
Travel	-16.42	-18.27	-21.91	-23.17	-23.86	-27.24
Other services and incomes	-104.42	-102.62	-95.87	-87.38	-88.49	-89.46
- officials (Embassies and Consular fees....)	-11.06	-12.15	-19.17	-12.17	-13.62	-16.99
- Technical Assistance	-79.11	-76.28	-68.46	-63.62	-64.04	-57.48
technical assistance PIP	-29.11	-26.28	-23.46	-23.62	-26.04	-25.18
technical assistance (others)	-50.00	-50.00	-45.00	-40.00	-38.00	-32.30
- private	-14.25	-14.19	-8.24	-11.59	-10.83	-14.99
Net factor services	-8.27	-11.37	-15.35	-22.49	-19.05	-25.10
Credit	9.94	7.84	13.87	13.80	8.45	6.55
Income from investments	8.71	7.84	10.84	11.66	8.45	5.99
- Interests received by NBR	6.28	5.93	8.07	8.82	6.76	4.62
- Interests received by the banks	2.43	1.90	2.77	2.84	1.69	1.37
Labour income	0.01	0.00	3.03	2.14	0.00	0.56
Property income	1.22	0.00	0.00	0.00	0.00	0.00
Debit	-18.21	-19.21	-29.22	-36.29	-27.50	-31.6
Income from direct investment	-0.24	-0.77	-3.09	-4.19	-0.36	-2.91
1. Dividends	-0.24	-0.77	-2.76	-3.52	-0.36	-2.91
2. interests. profits. reinvestments	0.00	0.00	-0.33	-0.67	--	--
Income from other investments	-14.13	-13.74	-13.40	-14.16	-13.30	-2.91
1. official	-12.62	-13.30	-13.17	-13.98	-13.20	
- Interests on public debt (in accordance with original contracts)	-10.99	-11.27	-10.51	-11.53	-11.70	-16.24
- Interest on debt rescheduling (consolidated amount 7/98-5/2001)	-10.99	0.00	-2.36			
- Interests on new loans		0.00	-1.89			
- NBR (IMF charges)	-1.63	-1.36	-2.12	-1.98	-0.83	-0.44
- NBR (others)	0.00	-0.67	-0.54	-0.47	-0.67	-1.21
2. private	-1.51	-0.44	-0.23	-0.18	-0.10	-0.89
Labour income	-2.79	-4.05	-12.16	-17.53	-13.60	-12.47
Property income	-1.05	-0.64	-0.57	-0.41	-0.24	0.00

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

UNREQUITED TRANSFERS**Table 27**

Description	1998	1999	2000	2001	2002	2003
Current transfers (net)	168.06	198.70	217.74	192.60	195.32	203.46
Current private transfers (net)	19.35	18.15	11.03	21.74	24.52	29.37
Credit	34.56	29.70	27.32	38.14	43.55	47.37
Debit	15.21	11.55	16.29	16.40	19.03	17.99
Transfer of workers' funds	-11.76	-7.80	-12.46	-10.48	-11.35	-9.84
Credit	3.00	3.29	3.65	5.45	7.22	7.67
Debit	14.76	11.09	16.11	15.93	18.57	17.51
Other private transfers	31.11	25.95	23.49	32.22	35.87	39.21
Credit	31.56	26.41	23.67	32.69	36.33	39.69
Debit	0.45	0.46	0.18	0.47	0.46	0.48
Current official transfers (net)	148.71	180.55	206.71	170.86	170.80	174.09
Credit	150.11	181.80	207.60	172.20	172.71	175.97
1. Current budgetary support	11.11	44.70	102.60	78.20	83.41	89.36
of which HIPC debt relief				23.89	25.54	23.62
disbursements from Trust Fund	34.75		18.6	1.79	--	--
2. Humanitarian assistance	139.00	137.10	105.00	94.00	89.30	86.61
a. technical assistance	50.00	50.00	45.00	40.00	38.00	39.00
b. other humanitarian assistance	89.00	87.10	60.00	54.00	51.30	47.61
Debit (of which contribution to intern. organis.)	-1.40	-1.25	-0.89	-1.34	-1.91	-1.88

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

CAPITAL AND FINANCIAL OPERATIONS ACCOUNT

Table 28

Description	1998	1999	2000	2001	2002	2003
Capital and financial operations account	141.03	137.32	98.58	146.72	115.66	99.74
Capital account	67.29	70.70	62.67	68.70	41.70	65.31
Capital transfers	67.29	70.70	62.67	68.70	41.70	65.31
Debt relief (arrears+current service+debt not yet due)	0.00	0.00	0.00	18.50	0.00	0.00
a. Arrears (principal+interests)				4.50	0.00	0.00
b. Current service (principal + interests)				1.80	0.00	0.00
c. Debt not yet due (principal)				12.20	0.00	0.00
Transfers for migrants						
Other capital transfers (grants support to PIP)	67.29	70.70	62.67	50.20	41.70	65.31
a. Capital (projects)	50.47	53.03	47.00	36.10	31.28	48.99
b. Technical Assistance	16.82	17.68	15.67	12.55	10.43	16.33
Acquisitions and transfers of non-financial and non product assets						
Financial operations account	73.74	66.62	35.91	78.02	73.96	34.43
Long term capital	65.88	54.56	36.11	61.64	60.50	22.28
I. Officials (net)	66.38	56.17	24.23	57.09	57.90	18.81
Credit	87.05	80.97	47.28	107.39	83.90	45.92
Current budgetary support	37.91	46.57	16.12	36.83	50.73	10.5
of which HIPIC						
Support projects (PIP)	49.14	34.40	31.16	44.26	33.17	35.42
- capital	36.86	25.80	23.37	33.20	24.88	26.57
- technical assistance	12.29	8.60	7.79	11.07	8.29	8.86
Drawings on new loans				26.30	0.00	0.00
a. Rescheduling of debt due				2.10	0.00	0.00
b. Rescheduling of arrears				12.70	0.00	0.00
c. Rescheduling of debt not yet due				11.50	0.00	0.00
Debit	-20.67	-24.80	-23.05	-50.30	-26.00	-27.11
Repayment of loans	-20.61	-24.02	-23.00	-22.90	-26.00	-27.11
of which a. Cancelled principal due				1.60	0.00	0.00
b. Rescheduled principal due				2.07	0.00	0.00
Rescheduled principal not yet due				-13.60	0.00	0.00
Cancelled principal not yet due				-13.80	0.00	0.00
Participation to capital of non monetary Intern. Organizations	-0.06	-0.78	-0.05	0.00	0.00	0.00
II. Private (net)	-0.50	-1.61	11.88	4.55	2.60	3.47
Loans		0.00	11.88	7.67	3.67	5.45
Repayment of loans	-0.50	-1.61		-3.12	-1.07	-1.98
Others		0.00				
Other capital	7.86	12.06	-0.20	16.38	13.46	12.15
I.Short term capital	0.78	10.32	-8.26	12.62	10.85	10.02
a. commercial credits			6.04	3.83	5.87	5.36
b. net variation of foreign assets of commercial banks (-incr.)	0.78	10.32	-17.30	4.85	1.40	
c. others			-3.00	3.94	3.58	4.66
II.Investments	7.08	1.74	8.06	3.76	2.61	2.13
a. direct investments	7.08	1.74	8.06	3.76	2.61	2.13
b. portfolio investments	0.00	0.00	0.00	0.00	0.00	0.00

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

AVAILABLE FINANCING

Table 29

Description	1998	1999	2000	2001	2002	2003
Available financing (-increase)	19.90	11.34	-1.81	-13.20	-22.60	36.7
Change in net foreign assets of NBR	6.55	7.36	-9.76	-25.15	-29.60	28.2
a. Change in gross official reserves of NBR (- incr.)	-10.82	-9.99	-16.47	-21.41		
of which IMF. net credit (purchasing-repurchasing)	13.81	20.76	10.00	1.50	-6.00	-0.9
1. purchases	16.21	29.30	25.10	12.07	0.70	0.8
2. re-purchases	-2.40	-8.54	-11.10	-10.57	-6.70	-1.7
b. Change in gross foreign liabilities (+ incr.)	17.37	17.35	6.71	-3.74	7.90	-0.7
Change in arrears	-14.15	-40.50	-8.04	-20.61	1.10	-16.2
Accumulation	13.35	3.37	2.24	5.83	2.10	6.0
Reduction	-27.50	-43.87	-10.28	-26.44	-1.00	-22.2
of which. normal balancing	--	7.34	2.51	0.00		
Exceptional financing	27.50	44.47	15.99	32.56	5.90	24.7
Rescheduling	11.21	42.25	15.07	26.29	5.30	22.2
arrears	11.21	35.39	7.77	21.93	0.00	20.0
of which OPEC		0.00	0.00	5.47	0.00	
SFD		--	--	16.46		
Current service (bilaterals. of which Paris Club):	0.00	6.86	7.30	4.36	0.00	2.3
Current service OPEC	0.00	--	--	--	5.30	0.00
Cancellation (debt relief)	16.29	2.22	0.92	6.26	0.60	2.5
arrears (China in 2001)	16.29	1.14	0.00	4.50	0.60	2.0
Current service (bilaterals. Paris Club)	0.00	1.09	0.92	1.76	0.00	0.5

Source: NBR. Foreign Exchange Inspection and Balance of Payments Department

