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São Tomé and Príncipe: Statistical Appendix

This Statistical Appendix report on São Tomé and Príncipe was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of São Tomé and Príncipe or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

SÃO TOMÉ AND PRÍNCIPE

Statistical Appendix

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Approved by the African Department

June 25, 1998

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São Tomé and Príncipe - Basic Data

Area, population, and GDP per capita

Area (square kilometers)	1,001
Population (1997)	
Total	134,611
Annual growth rate (in percent)	2.5
GDP per capita (in U.S. dollars; 1997)	326

	1992	1993	1994	1995	1996	1997 Est.
(In units indicated)						
Production and prices						
GDP at market prices (in millions of dobras)	14,565	20,469	36,295	64,613	98,900	200,000
Cocoa production (in metric tons)	3,688	4,305	3,392	3,845	3,500	3,138
Cocoa exports (in metric tons)	4,363	3,725	3,716	3,362	3,170	2,840
Consumer price index (annual average; 1990=100)	196	258	382	628	953	1,603
(In millions of dobras)						
Government fiscal operations						
Revenue and grants	4,264	7,102	11,186	25,777	36,547	86,773
Current expenditure	-4,408	-6,673	-11,285	-15,480	-26,796	-55,675
Capital expenditure	-5,942	-7,309	-15,502	-34,563	-41,591	-84,499
Overall fiscal balance (commitment basis)	-6,086	-6,881	-15,601	-24,195	-31,839	-53,401
Net change in arrears (decrease -)	352	2,062	3,955	5,433	4,899	20,979
Overall fiscal balance (cash basis)	-5,733	-4,819	-11,646	-18,763	-26,941	-32,423
Financing	5,733	4,819	11,646	18,763	26,941	32,423
Net foreign financing	3,722	4,267	8,016	18,616	15,972	23,388
Net domestic financing	2,011	552	3,630	146	10,968	9,035
Monetary survey (end of period) 1/						
Net foreign assets	-4,999	-8,898	4,372	9,946	20,929	102,982
Net domestic assets	9,470	14,840	9,426	10,389	16,113	-31,180
Net domestic credit	10,559	11,808	12,275	11,418	17,699	-23,309
Claims on the government (net)	5,081	5,633	6,755	7,829	19,992	26,588
Counterpart funds (nonbudgetary)	-4,736	-5,527	-9,067	-10,942	-11,096	-61,844
Credit to the economy	10,213	11,702	14,587	14,531	8,803	11,947
Other items (net)	-1,088	3,032	-2,849	-1,029	-1,585	-7,870
Money and quasi money	4,472	5,942	13,798	20,335	37,043	71,802
(In millions of U.S. dollars)						
Balance of payments						
Exports, f.o.b.	5.3	5.2	5.9	5.1	4.9	5.3
Of which: cocoa	4.2	4.2	5.0	4.7	4.8	4.6
Imports, f.o.b.	-22.5	-25.6	-24.3	-23.4	-19.8	-19.2
Trade balance	-17.2	-20.4	-18.5	-18.4	-14.7	-13.9
Services and income (net)	-18.0	-16.9	-16.3	-23.3	-21.2	-19.8
Transfers (net)	12.0	13.0	18.1	23.3	22.1	32.1
Current account deficit, excluding transfers	-34.1	-35.9	-31.3	-41.1	-35.6	-33.7
Current account deficit, including transfers	-23.2	-24.4	-16.6	-18.4	-14.0	-1.6
Medium- and long-term capital (net)	13.1	8.8	7.0	10.8	11.8	2.7
Short-term capital and errors and omissions	-1.0	0.2	1.9	0.2	-2.6	-0.4
Overall balance	-11.1	-15.3	-7.7	-7.4	-4.8	0.8
Financing	11.1	15.3	7.7	7.4	4.8	-0.8
Change in net foreign assets (increase -)	2.0	4.7	-2.1	-0.4	0.1	-7.0
Change in arrears (reduction -)	6.1	9.2	-2.0	-21.9	5.0	6.5
Structural Adjustment Facility (net)	0.0	0.0	-0.1	-0.2	-0.2	-0.2
Debt relief	3.1	1.4	11.9	29.9	0.0	0.0

São Tomé and Príncipe - Basic Data (concluded)

	1992	1993	1994	1995	1996	1997 Est.
(In millions of U.S. dollars, unless otherwise specified)						
Gross foreign reserves						
End of period	10.7	6.0	4.8	5.1	5.0	12.0
In months of following year's imports, c.i.f.	3.0	1.8	1.3	1.5	1.5	3.6
External public debt						
Medium- and long-term debt (disbursed and outstanding)	162.5	181.4	198.1	226.8	234.0	235.5
Debt-service ratio before debt relief (as percent of exports of goods and services)	116.5	124.7	101.1	110.3	73.5	71.9
Effective exchange rate indices (trade weighted; 1992=100)						
Nominal	100.0	91.9	65.3	32.1	21.5	12.0
Real	100.0	106.1	92.3	69.6	59.5	52.2
Social indicators						
Life expectancy at birth (in years; 1995)	64					
Population (1997)	134,611					
Rural	75,248					
Urban	59,364					
Women	68,113					
Men	66,498					
Crude birth rate (per thousand, 1997)	34					
Crude death rate (per thousand, 1997)	8					
Infant mortality rate (under 1, per thousand; 1995)	84					
Infant mortality rate (under 5, per thousand; 1995)	138					
Population per physician (1995)	3,272					
Enrollment rate of 6-20 year-olds (in percent; 1996)	65					
Literacy rate for ages 15 and above (in percent; 1991)	73					

Sources: World Bank; and São Tomé and Príncipe authorities.

1/ Owing to corrections and improvements to the accounts of the central bank, there is a break in the series starting in 1995.

Table 1. São Tomé and Príncipe: Gross Domestic Product and Expenditure at Current Prices, 1992-97

(In millions of dobras, unless otherwise specified)

	1992	1993	1994	1995	1996	1997 Est.
Primary sector	3,852	5,913	9,249	17,070	24,583	46,682
Agriculture	3,321	5,250	8,223	15,210	21,688	42,942
Fisheries	531	663	1,026	1,860	2,895	3,740
Secondary sector	2,721	3,834	6,947	12,079	17,736	37,343
Manufacturing and energy	933	1,326	1,943	2,648	5,250	7,875
Construction	1,788	2,508	5,004	9,431	12,487	29,469
Tertiary sector	7,992	10,722	20,099	35,465	56,581	115,975
Commerce and transport	3,801	4,642	6,906	12,156	18,754	37,508
Public administration	2,991	4,414	8,088	13,211	21,788	44,669
Financial institutions	0	0	2,041	4,591	7,484	15,134
Other services	1,200	1,666	3,064	5,507	8,554	18,664
Gross domestic product	14,565	20,469	36,295	64,613	98,900	200,000
Consumption	18,664	26,365	41,359	77,628	118,395	232,060
Private	14,041	19,904	29,253	49,804	73,441	142,190
Public 1/	4,551	6,356	12,107	27,824	44,954	89,870
Gross fixed capital formation	5,741	7,907	16,372	38,336	49,641	99,500
Private	2,117	3,725	6,606	11,760	18,000	34,400
Public 1/	3,625	4,182	9,767	26,576	31,642	65,100
Change in inventory	-107	-105	0	0	0	0
Gross domestic expenditure	24,298	34,167	57,732	115,964	168,037	331,560
Resource balance	-9,733	-13,698	-21,437	-51,351	-69,137	-131,560
Exports of goods and nonfactor services	3,333	5,117	8,599	13,322	23,449	56,778
Imports of goods and nonfactor services 1/	-13,066	-18,815	-30,036	-64,673	-92,586	-188,338
Memorandum items:						
Gross domestic savings	-4,027	-5,791	-5,064	-13,015	-19,495	-32,060
Private domestic savings	-1,850	-2,533	2,640	4,790	12,713	29,346
Public domestic savings	-2,177	-3,258	-7,705	-17,805	-32,208	-61,406
Gross national savings	-1,753	-9,338	158	12,158	18,801	92,282
Private national savings	-1,850	-9,292	-1,377	-12,207	-18,361	-28,379
Public national savings	97	-46	1,534	24,365	37,162	120,661
GDP deflator (annual percentage change)	26.0	39.0	73.5	74.5	50.8	100
Nominal GDP (annual percentage change)	26.9	40.5	77.3	78.0	53.1	102
Real GDP (annual percentage change)	0.7	1.1	2.2	2.0	1.5	1

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Starting in 1995, public consumption, public investment, and imports include technical assistance and other expenditure for projects managed directly by foreign donors. These data are not available for previous years.

Table 2. São Tomé and Príncipe: Gross Domestic Product and Expenditure at Current Prices, 1992-97

(In percent of GDP)

	1992	1993	1994	1995	1996	1997 Est.
Primary sector	26.4	28.9	25.5	26.4	24.9	23.3
Agriculture	22.8	25.6	22.7	23.5	21.9	21.5
Fisheries	3.6	3.2	2.8	2.9	2.9	1.9
Secondary sector	18.7	18.7	19.1	18.7	17.9	18.7
Manufacturing and energy	6.4	6.5	5.4	4.1	5.3	3.9
Construction	12.3	12.3	13.8	14.6	12.6	14.7
Tertiary sector	54.9	52.4	55.4	54.9	57.2	58.0
Commerce and transport	26.1	22.7	19.0	18.8	19.0	18.8
Public administration	20.5	21.6	22.3	20.4	22.0	22.3
Financial institutions	0.0	0.0	5.6	7.1	7.6	7.6
Other services	8.2	8.1	8.4	8.5	8.6	9.3
Gross domestic product	100.0	100.0	100.0	100.0	100.0	100.0
Consumption	128.1	128.8	114.0	120.1	119.7	116.0
Private	96.4	97.2	80.6	77.1	74.3	71.1
Public 1/	31.2	31.1	33.4	43.1	45.5	44.9
Gross fixed capital formation	39.4	38.6	45.1	59.3	50.2	49.8
Private	14.5	18.2	18.2	18.2	18.2	17.2
Public 1/	24.9	20.4	26.9	41.1	32.0	32.6
Change in inventory	-0.7	-0.5	0.0	0.0	0.0	0.0
Gross domestic expenditure	166.8	166.9	159.1	179.5	169.9	165.8
Resource balance	-66.8	-66.9	-59.1	-79.5	-69.9	-65.8
Exports of goods and nonfactor services	22.9	25.0	23.7	20.6	23.7	28.4
Imports of goods and nonfactor services 1/	-89.7	-91.9	-82.8	-100.1	-93.6	-94.2
Memorandum items:						
Gross domestic savings	-27.6	-28.3	-14.0	-20.1	-19.7	-16.0
Private domestic savings	-12.7	-12.4	7.3	7.4	12.9	14.7
Public domestic savings	-14.9	-15.9	-21.2	-27.6	-32.6	-30.7
Gross national savings	-12.0	-45.6	0.4	18.8	19.0	46.1
Private national savings	-12.7	-45.4	-3.8	-18.9	-18.6	-14.2
Public national savings	0.7	-0.2	4.2	37.7	37.6	60.3

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Starting in 1995, public consumption, public investment, and imports include technical assistance and other expenditure for projects managed directly by foreign donors. These data are not available for previous years.

Table 3. São Tomé and Príncipe: Gross Domestic Product and Expenditure at Constant Prices, 1992-97

	1992	1993	1994	1995	1996	1997 Est.
(In millions of 1991 dobras)						
Gross domestic product	11,562	11,690	11,947	12,186	12,368	12,492
Consumption	13,758	14,297	14,556	14,676	14,743	14,494
Private	10,391	10,572	10,402	9,525	9,348	8,881
Public 1/	3,367	3,725	4,154	5,151	5,395	5,613
Gross fixed capital formation	3,569	4,257	4,221	5,024	4,356	4,595
Change in inventory	-107	-105	0	0	0	0
Gross domestic expenditure	17,220	18,449	18,777	19,700	19,099	19,089
Resource balance	-5,658	-6,759	-6,830	-7,514	-6,731	-6,598
Exports of goods and nonfactor services	2,313	2,303	1,689	1,230	1,303	1,420
Imports of goods and nonfactor services 1/	-7,971	-9,062	-8,519	-8,744	-8,034	-8,017
(Annual percentage change)						
Gross domestic product	0.7	1.1	2.2	2.0	1.5	1.0
Consumption	-5.9	3.9	1.8	0.8	0.5	-1.7
Private	-7.9	1.7	-1.6	-8.4	-1.9	-5.0
Public 1/	0.9	10.6	11.5	24.0	4.7	4.0
Gross fixed capital formation	-6.7	19.3	-0.8	19.0	-13.3	5.5
Gross domestic expenditure	-5.5	7.1	1.8	4.9	-3.0	-0.1
Resource balance	-16.1	19.5	1.1	10.0	-10.4	-2.0
Exports of goods and nonfactor services	6.3	-0.4	-26.7	-27.2	5.9	9.0
Imports of goods and nonfactor services 1/	-10.6	13.7	-6.0	2.6	-8.1	-0.2

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Starting in 1995, public consumption, public investment, and imports include technical assistance and other expenditure for projects managed directly by foreign donors. These data are not available for previous years.

Table 4. São Tomé and Príncipe: Land Distribution, 1993-97

	1993	1994	1995	1996	1997	1993-1997
Total area redimensioned 1/	4,361.6	8,553.6	6,743.9	5,662.4	6,342.9	31,664.4
Small farms (3-10 hectares)	1,591.5	3,083.0	2,571.0	2,657.2	2,472.3	12,375.0
Medium-sized farms (10-50 hectares)	1,287.0	792.9	2,233.0	387.0	1,691.6	6,391.5
Forest and other noncultivable areas	1,483.1	4,677.7	1,939.9	2,618.2	2,178.9	12,897.8
	(In hectares)					
	(In percent of total area redimensioned)					
Total area redimensioned	100	100	100	100	100	100
Small farms (3-10 hectares)	36	36	38	47	39	39
Medium-sized farms (10-50 hectares)	30	9	33	7	27	20
Forest and other non-cultivable	34	55	29	46	34	41
Memorandum item:						
Number of beneficiary families	843	859	917	730	1,151	4,500

Source: São Tomé and Príncipe authorities.

1/ The land distribution project was initiated in 1993 with the objective of distributing 20,000 hectares from government agricultural estates to small and medium-sized farms. At end-1992, the government estates covered approximately 65,367 hectares, of which 33,821 hectares were cultivated.

Table 5. São Tomé and Príncipe: Production of Principal Agricultural Crops, 1992-97

(In metric tons)

	1992	1993	1994	1995	1996	1997
Export crops						
Cocoa	3,688	4,305	3,392	3,845	3,500	3,138
Copra	679	678	572	501	507	433
Coffee	14	20	22	29	20	45
Food crops						
Bananas	12,000	13,000	13,650	12,685	13,500	...
Breadfruit	1,470	1,800	1,500	1,600	1,800	...
Palm oil	1,500	875	731	720	1,179	1,183
Taro	6,000	7,000	8,500	8,245	10,000	...
Maize	4,000	4,000	4,300	4,000	4,500	...

Source: São Tomé and Príncipe authorities.

Table 6. São Tomé and Príncipe: Energy Production and Consumption, 1992-97

	1992	1993	1994	1995	1996	1997
(In thousands of kilowatt-hours)						
Electricity production 1/	19,551	20,181	20,564	18,664	20,328	22,794
Hydroelectricity	6,286	6,768	4,894	3,263	5,056	6,157
Thermoelectricity	13,265	13,413	15,670	15,401	15,272	16,637
Electricity consumption	11,607	12,452	14,135	11,931	13,580	14,444
Residential	5,567	6,226	6,796	6,749	6,939	...
Industrial and other 2/	6,040	6,226	7,339	5,182	6,641	...
(In millions of dobras)						
Electricity production 1/	619.8	925.6	1,029.3	...	...	...
Hydroelectricity	225.1	...	...	...	...	...
Thermoelectricity	394.7	...	...	...	...	...
Electricity consumption	544.9	571.1	1,463.2	2,397.8	4,967.8	...
Residential	193.4	217.0	619.8	994.8	2,030.3	...
Industrial and other 2/	351.5	354.1	843.5	1,402.9	2,937.5	...
(Dobras per kilowatt-hour)						
Electricity production 1/	31.7	45.9	50.1	...	...	...
Hydroelectricity	35.8	...	...	...	...	...
Thermoelectricity	29.8	...	...	...	...	...
Electricity consumption	46.9	45.9	103.5	201.0	365.8	...
Residential	34.7	34.9	91.2	147.4	292.6	...
Industrial and other 2/	58.2	56.9	114.9	270.8	442.3	...

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Production exceeds consumption owing to losses in distribution.

2/ Including the government.

Table 7. São Tomé and Príncipe: Imports of Petroleum Products, 1992-97

	1992	1993	1994	1995	1996	1997 Est.
(In thousands of liters)						
Volume of imports						
Gasoline	4,019	3,298	3,414	4,542	4,610	5,157
Diesel	7,920	7,237	8,410	10,211	9,683	12,160
Kerosene	4,034	3,753	2,217	3,047	4,609	5,795
(In millions of U.S. dollars)						
Value of imports, c.i.f.						
Gasoline	2.7	2.3	2.2	2.6	3.8	4.1
Diesel	0.6	0.5	0.6	0.7	0.9	0.9
Diesel	1.5	1.2	1.3	1.4	1.9	2.1
Kerosene	0.6	0.6	0.4	0.5	1.0	1.1
(Dobras per liter)						
Average retail price						
Gasoline	300	370	434	753	1,035	2,017
Diesel	168	230	286	483	734	1,275
Kerosene	97	100	109	267	402	833
Jet	143	240	200	252	402	833
(U.S. dollars per liter)						
Average retail price						
Gasoline	0.94	0.86	0.59	0.53	0.47	0.44
Diesel	0.52	0.54	0.39	0.34	0.33	0.28
Kerosene	0.30	0.23	0.15	0.19	0.18	0.18
Jet	0.45	0.56	0.27	0.18	0.18	0.18
World price, c.i.f						
Gasoline	0.14	0.15	0.20	0.22	0.26	0.24
Diesel	0.17	0.17	0.19	0.20	0.24	0.23
Kerosene	0.18	0.18	0.20	0.22	0.26	0.24
Import price, c.i.f						
Gasoline	0.15	0.15	0.16	0.15	0.20	0.18
Diesel	0.19	0.16	0.16	0.14	0.19	0.17
Kerosene	0.15	0.16	0.16	0.16	0.22	0.18

Sources: São Tomé and Príncipe authorities; and staff estimates.

Table 8. São Tomé and Príncipe: Cost Structure of Petroleum Products, 1997

	Gasoline		Diesel		Kerosene	
	In percent of c.i.f cost	Dobras per liter	In percent of c.i.f cost	Dobras per liter	In percent of c.i.f cost	Dobras per liter
Average import cost, c.i.f.	1.00	839	1.00	783	1.00	839
Import duty	0.66	554	0.54	423	0.10	84
Sales tax	0.53	445	0.09	70	0.04	34
Road maintenance tax	0.04	32	0.04	30	0.00	0
ENCO's handling and distribution costs 1/	0.32	265	0.30	237	0.20	169
ENCO's wholesale margin	0.07	55	0.06	46	0.03	27
Retail margin	0.07	55	0.06	46	0.04	37
Profit transfer to the government	-0.27	-226	-0.46	-359	-0.42	-356
Average retail price	2.40	2,017		1,275		833
Memorandum items:						
Total imports (in thousands of liters; excluding EMAE) 2/		4,528		5,912		5,088
				(In millions of dobras)		
EMAE's consumption value		0		4,250		0
Profit transfer due to the budget		-1,025		-2,124		-1,809
Import duty due		2,507		2,499		427
Sales tax due		2,013		417		171

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ ENCO, the fuel importing company.

2/ EMAE, the water and electricity company.

Table 9. São Tomé and Príncipe: Components of the Official Consumer Price Index, 1995-97 1/
(1996=100; end of period)

	Weights (in percent)	1995	1996	1997
Food, beverages, and tobacco	71.9	80.4	124.9	214.2
Clothing	5.3	83.0	112.0	185.9
Housing and energy	10.2	80.6	125.4	274.8
Furniture, electrical equipment, and other housing equipment	2.8	83.0	122.2	252.2
Health services	1.3	86.4	107.6	241.9
Transport and communications	6.4	93.2	126.4	233.5
Entertainment and cultural activities	0.7	82.7	120.1	140.1
Education	0.4	78.5	119.3	211.2
Hotels and restaurants	0.7	83.6	105.6	146.7
Other	0.5	84.3	108.9	169.5
General index	100.0	81.6	123.8	224.2

Source: São Tomé and Príncipe authorities.

1/ Until 1996, data for the official consumer price index were subject to serious deficiencies in measurement and coverage and therefore should be interpreted with caution.

Table 10. São Tomé and Príncipe: Monthly Movements in the Official Consumer Price Index, January 1993-December 1997 1/

	1993	1994	1995	1996	1997
	(1996 = 100)				
January	38.4	46.6	65.3	85.0	127.3
February	39.0	47.4	67.0	87.8	129.1
March	39.6	48.1	68.3	88.8	132.2
April	40.4	48.6	69.7	89.5	137.4
May	40.9	50.2	71.6	92.7	157.2
June	41.3	51.1	72.6	94.1	163.0
July	42.1	52.0	73.0	95.0	171.9
August	42.4	54.2	74.3	96.1	178.2
September	43.3	56.1	75.7	108.7	182.8
October	44.0	58.4	76.3	118.2	199.1
November	44.8	60.1	77.2	120.4	216.3
December	45.7	63.0	81.6	123.8	224.2
Annual average	41.8	53.0	72.7	100.0	168.2
	(Annual percentage change)				
Rate of inflation					
End of period	21.8	37.7	29.5	51.7	81.1
Annual average	25.5	26.6	36.8	35.5	68.2

Source: São Tomé and Príncipe authorities.

1/ Until 1996, data for the official consumer price index were subject to serious deficiencies in measurement and coverage and therefore should be interpreted with caution.

Table 11. São Tomé and Príncipe: Monthly Movements in Components of the Official Consumer Price Index, December 1996-December 1997

Weight	1996	1997												
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	
		(1996=100)												
Food, beverages, and tobacco	71.9	124.9	130.0	130.8	135.9	137.6	148.4	152.7	165.0	170.7	174.3	190.6	210.1	214.2
Clothing	5.3	112.0	113.6	115.9	121.7	114.4	142.8	172.6	157.1	161.9	174.0	173.8	177.1	185.9
Housing and energy	10.2	125.4	128.0	139.3	130.6	157.8	188.7	196.2	196.1	211.9	214.4	251.9	267.0	274.8
Furniture, electrical equipment, and other housing equipment	2.8	122.2	116.9	119.8	125.4	146.2	161.7	173.5	180.6	181.4	207.0	220.0	240.3	252.2
Health services	1.3	107.6	116.5	104.5	107.8	150.5	168.8	177.7	210.1	225.0	226.0	212.0	241.9	241.9
Transport and communications	6.4	126.4	118.8	119.4	119.4	116.5	222.6	222.2	221.8	226.6	229.0	231.7	232.3	233.5
Entertainment and cultural activities	0.7	120.1	136.6	119.8	111.9	143.3	121.1	118.9	139.4	130.9	141.0	139.1	139.8	140.1
Education	0.4	119.3	111.2	114.5	106.0	148.5	146.7	150.0	162.4	156.4	162.7	194.7	206.5	211.2
Hotels and restaurants	0.7	105.6	82.8	94.9	86.9	104.5	112.4	118.3	120.8	119.2	129.8	136.1	142.0	146.7
Other	0.5	108.9	114.6	129.5	108.4	142.0	148.3	134.5	152.1	158.3	156.7	164.6	166.0	169.5
General index	100.0	123.8	127.3	129.1	132.2	137.4	157.2	163.0	171.9	178.2	182.8	199.1	216.3	224.2
		(Percentage change)												
Cumulative rate of inflation	51.73	2.8	4.3	6.7	11.0	26.9	31.6	38.8	43.9	47.6	60.8	74.7	81.1	
Average annual inflation	35.54	...	...	...	...	...	...	...	...	...	...	...	...	68.21

Source: São Tomé and Príncipe authorities.

Table 12. São Tomé and Príncipe: Financial Transactions of the Central Government, 1992-97

(In millions of dobras)

	1992	1993	1994	1995	1996	1997
Total revenue and grants	4,264	7,102	11,186	25,777	36,547	86,773
Tax revenue	1,946	2,669	3,626	6,329	8,912	21,236
Consumption taxes	815	1,060	1,272	1,839	2,179	4,186
Import taxes	755	975	1,275	1,954	2,568	4,701
Export taxes	101	66	207	616	816	1,874
Other taxes	275	568	872	1,920	3,348	10,475
Nontax revenue	1,001	1,025	1,191	4,357	4,368	10,009
Of which: transfers from enterprises	573	596	415	668	534	2,058
Grants	1,318	3,408	6,369	15,091	23,268	55,528
Total expenditure and net lending	10,350	13,982	26,787	49,972	68,387	140,174
Current expenditure	4,408	6,673	11,285	15,480	26,796	55,675
Personnel costs	1,047	1,093	1,879	2,163	4,140	11,709
Of which: wages and salaries	518	680	867	927	1,295	8,151
Goods and services	488	523	1,334	2,322	3,443	7,004
Interest on external debt due	1,601	2,347	3,982	7,782	9,747	22,356
Interest on internal debt due	0	0	0	0	120	168
Transfers	526	493	854	1,015	6,018	8,892
Defense	0	0	413	717	1,225	1,630
Other current expenditures 1/	700	2,177	2,745	1,276	1,499	3,320
Redeployment fund	48	41	79	206	604	596
Capital expenditure 2/	5,942	7,309	15,502	34,563	41,591	84,499
Recorded by the treasury	606	564	1,099	3,039	893	2,471
Foreign financed	5,336	6,745	14,403	31,524	40,698	82,028
Overall fiscal balance (commitment basis, after grants)	-6,086	-6,881	-15,601	-24,195	-31,839	-53,401
Change in arrears (net; reduction -)	352	2,062	3,955	5,433	4,899	20,979
External arrears (net; reduction -)	352	2,008	3,004	4,800	6,981	17,566
Domestic arrears (net; reduction -)	0	54	951	633	-2,083	3,413
Overall fiscal balance (cash basis)	-5,733	-4,819	-11,646	-18,763	-26,941	-32,423
Financing	5,733	4,819	11,646	18,763	26,941	32,423
External (net)	3,722	4,267	8,016	18,616	15,972	23,388
Disbursements (projects)	4,019	4,385	8,345	18,900	18,862	28,544
Amortization (net)	-1,314	-715	-9,040	-39,348	-2,890	-5,156
Scheduled	-2,293	-3,263	-4,586	-6,915	-6,948	-17,794
Net change in arrears (reduction -)	978	2,547	-4,453	-32,433	4,058	12,638
Debt relief	1,018	597	8,711	39,064	0	0
Domestic (net)	2,011	552	3,630	146	10,968	9,035
Banking credit	1,846	552	3,586	574	2,896	6,597
Use of counterpart funds	165	0	44	-428	8,072	2,438

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Includes payments to embassies, as well as recurrent costs of projects in agriculture and social sectors.

2/ Includes outlays for technical assistance and other expenditures on social projects not associated with capital formation.

Table 13. São Tomé and Príncipe: Central Government Revenue, 1992-97

(In millions of dobras)

	1992	1993	1994	1995	1996	1997
Total revenue and grants	4,264	7,102	11,186	25,777	36,547	86,773
Tax revenue	1,946	2,669	3,626	6,329	8,912	21,236
Direct taxes	197	328	517	1,505	2,809	9,170
Profit taxes	63	119	148	829	1,084	4,810
Income taxes	92	128	324	594	1,490	4,090
Other	42	81	45	82	235	270
Indirect taxes	1,749	2,341	3,109	4,823	6,102	12,066
Import taxes	755	975	1,275	1,954	2,568	4,701
Export taxes	101	66	207	616	816	1,874
Consumption taxes	815	1,060	1,272	1,839	2,179	4,186
On imported goods	629	715	1,123	1,569	2,178	4,168
On domestic goods	186	345	149	270	1	18
Other	78	240	355	414	539	1,305
Nontax revenue	1,001	1,025	1,191	4,357	4,368	10,009
Transfers from enterprises	573	596	415	668	534	2,058
Fishing royalties	268	338	535	974	2,121	3,471
Other	160	91	241	2,716	1,713	4,480
Grants	1,318	3,408	6,369	15,091	23,268	55,528

Sources: São Tomé and Príncipe authorities; and staff estimates.

Table 14. São Tomé and Príncipe: Central Government Expenditure, 1992-97

(In millions of dobras)

	1992	1993	1994	1995	1996	1997
Total expenditure	10,350	13,982	26,787	49,972	68,387	140,174
Current expenditure	4,408	6,673	11,285	15,480	26,796	55,675
Personnel costs	1,047	1,093	1,879	2,163	4,140	11,709
Wages and salaries	518	680	867	927	1,295	8,151
Travel	246	278	519	583	1,544	2,779
Family allowances	2	2	1	1	3	0
Other personnel expenditures 1/	244	94	443	590	1,207	290
Social security payments	36	40	49	63	91	489
Goods and services	488	523	1,334	2,322	3,443	7,004
Durable goods	23	18	35	58	1,495	429
Nondurable goods	253	227	389	575	905	544
Petroleum products	61	68	104	157	219	282
Other	192	158	285	417	686	262
Services	212	278	910	1,689	1,043	6,031
Of which: electricity	75	49	600	541	39	2,970
transport and communications	84	149	141	221	190	1,967
Interest on external debt due	1,601	2,347	3,982	7,782	9,747	22,356
Interest on internal debt due	0	0	0	0	120	168
Transfers	526	493	854	1,015	6,018	8,892
Public entities	118	172	269	536	1,309	5,813
Public enterprises	201	130	255	0	3,070	913
Private sector	72	52	112	329	529	1,525
Private institutions	8	6	5	7	17	18
Individuals	64	47	107	322	512	1,507
External	135	138	217	150	1,109	641
Other current expenditures	700	2,177	3,158	1,994	2,844	4,950
Embassies	89	145	228	240	387	...
Defense	0	0	413	717	1,225	1,630
Extraordinary expenditures	0	1,450	1,725	0	0	351
Other 2/	611	582	792	1,036	1,232	2,969
Redeployment fund	48	41	79	206	604	596
Capital expenditure 3/	5,942	7,309	15,502	34,563	41,591	84,499
Recorded by the treasury	606	564	1,099	3,039	893	2,471
Foreign financed	5,336	6,745	14,403	31,524	40,698	82,028
Memorandum item:						
Total expenditure and net lending, excluding foreign-financed capital expenditure	5,014	7,237	12,384	18,448	27,689	58,146

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Includes bonuses and allowances, except in 1993 and 1994, when they were recorded in wages and salaries.

2/ Includes recurrent costs of projects in agriculture and social sectors, as well as defense expenditures for 1990 to 1993.

3/ Includes outlays for technical assistance and other expenditures on social projects not associated with capital formation.

Table 15. São Tomé and Príncipe: Fiscal Indicators, 1992-97

	1992	1993	1994	1995	1996	1997
	(Annual percentage change)					
Total revenue and grants	25.6	66.5	57.5	130.4	41.8	137.4
Tax revenue	65.6	37.2	35.9	74.5	40.8	138.3
Direct taxes	3.5	66.2	58.0	190.9	86.6	226.4
Indirect taxes	77.6	33.9	32.8	55.1	26.5	97.7
<i>Of which:</i> import taxes	82.1	29.3	30.7	53.3	31.4	83.1
export taxes	27.6	-35.0	215.8	197.8	32.4	129.6
Nontax revenue	45.5	2.4	16.1	266.0	0.3	129.1
<i>Of which:</i> transfers from enterprises	72.3	4.0	-30.4	60.9	-20.0	285.2
Grants	-14.0	158.7	86.9	136.9	54.2	138.6
Total expenditure	32.5	35.1	91.6	86.6	36.9	105.0
Current expenditure	37.2	51.4	69.1	37.2	73.1	107.8
<i>Of which:</i> personnel costs	25.7	4.4	71.9	15.1	91.4	182.8
goods and services	108.6	7.2	155.2	74.1	48.3	103.4
interest on external debt due	26.8	46.6	69.6	95.4	25.3	129.4
Capital expenditure	29.3	23.0	112.1	123.0	20.3	103.2
	(In percent of total revenue and grants)					
Total revenue and grants	100.0	100.0	100.0	100.0	100.0	100.0
Tax revenue	45.6	37.6	32.4	24.6	24.4	24.5
Direct taxes	4.6	4.6	4.6	5.8	7.7	10.6
Indirect taxes	41.0	33.0	27.8	18.7	16.7	13.9
<i>Of which:</i> import taxes	17.7	13.7	11.4	7.6	7.0	5.4
export taxes	2.4	0.9	1.9	2.4	2.2	2.2
Nontax revenue	23.5	14.4	10.6	16.9	12.0	11.5
<i>Of which:</i> transfers from enterprises	13.4	8.4	3.7	2.6	1.5	2.4
Grants	30.9	48.0	56.9	58.5	63.7	64.0
	(In percent of total expenditure)					
Total expenditure	100.0	100.0	100.0	100.0	100.0	100.0
Current expenditure	42.6	47.7	42.1	31.0	39.2	39.7
<i>Of which:</i> personnel costs	10.1	7.8	7.0	4.3	6.1	8.4
goods and services	4.7	3.7	5.0	4.6	5.0	5.0
interest on external debt due	15.5	16.8	14.9	15.6	14.3	15.9
Capital expenditure	57.4	52.3	57.9	69.2	60.8	60.3
Domestically-financed	5.9	4.0	4.1	6.1	1.3	1.8
Foreign-financed	51.6	48.2	53.8	63.1	59.5	58.5
	(In percent of GDP)					
Total revenue and grants	29.3	34.7	13.3	16.5	13.4	15.6
<i>Of which:</i> tax revenue	13.4	13.0	10.0	9.8	9.0	10.6
Total expenditure	71.1	68.3	73.8	77.3	69.1	70.1
Current expenditure	30.3	32.6	31.1	24.0	27.1	27.8
Capital expenditure	40.8	35.7	42.7	53.5	42.1	42.2
Primary current balance 1/	-30.8	-22.1	-32.0	-25.4	-22.5	-15.5
Primary overall balance 2/	-3.2	-5.8	-9.9	0.0	-4.7	-2.2
Overall balance	-41.8	-33.6	-43.0	-37.4	-32.2	-26.7

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Excluding interest obligations, including grants.

2/ Excluding interest obligations, grants, and foreign-financed capital expenditures.

3/ Including use of counterpart funds.

Table 16. São Tomé and Príncipe: Public Investment Program, 1992-97

	1992	1993	1994	1995	1996	1997
(In millions of U.S. dollars)						
Total investment	18.1	17.3	21.2	24.4	18.9	18.7
Public administration	0.6	0.2	0.7	1.1	0.5	0.6
Agriculture	8.3	9.2	8.5	7.8	6.9	7.3
Water and sewage 1/	0.2	0.9	1.3	1.1	0.8	0.3
Education	0.8	1.6	4.1	5.6	2.3	2.5
Energy 1/	0.3	2.2	1.3	4.1	3.5	0.8
Housing	0.3	0.2	0.2	0.1	0.4	0.4
Fisheries	0.2	0.2	0.3	0.5	0.6	0.6
Health	0.4	0.6	0.6	2.3	3.0	4.2
Transport and telecommunications	7.1	2.3	4.0	1.7	1.0	1.6
Other	0.0	0.0	0.0	0.0	0.0	0.5
Financing	18.1	17.3	21.2	24.4	18.9	18.7
Foreign	16.3	15.7	19.7	22.2	18.5	18.2
Grants	3.9	5.5	8.3	8.9	9.9	12.0
Loans	12.4	10.2	11.4	13.3	8.6	6.2
Domestic	1.8	1.6	1.5	2.2	0.4	0.5
Counterpart funds	0.1	0.0	0.0	0.3	0.2	0.1
Budget	1.7	1.6	1.5	1.9	0.2	0.4
(In percent of total investment)						
Total investment	100.0	100.0	100.0	100.0	100.0	100.0
Public administration	3.1	1.0	3.5	4.7	2.4	3.1
Agriculture	45.8	52.9	40.2	32.0	36.4	38.8
Water and sewage 1/	0.8	5.2	6.3	4.5	4.2	1.4
Education	4.3	9.3	19.4	23.0	12.4	13.6
Energy 1/	1.4	12.7	6.1	17.0	18.3	4.3
Housing	1.5	1.1	1.0	0.4	2.2	2.0
Fisheries	1.0	1.3	1.5	2.1	3.1	3.3
Health	2.3	3.4	3.0	9.4	16.0	22.5
Transport and telecommunications	39.1	13.1	19.0	7.0	5.0	8.4
Other	0.0	0.0	0.0	0.0	0.0	2.6
Financing	100.0	100.0	100.0	100.0	100.0	100.0
Foreign	90.0	90.5	92.9	91.2	97.9	97.3
Grants	21.6	31.7	39.1	36.5	52.4	64.1
Loans	68.4	58.9	53.8	54.7	45.4	33.2
Domestic	10.0	9.5	7.1	8.8	2.1	2.7
Counterpart funds	0.6	0.2	0.0	1.2	1.2	0.5
Budget	9.4	9.2	7.1	7.6	1.1	2.2

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Until 1992, the energy sector was included in the water and sewage sector.

Table 17. São Tomé and Príncipe: Status of Nonagricultural Public Enterprises, December 1997

(In billions of dobras, unless otherwise specified)

	Government ownership (In percent of total)	Total Assets	Number of Employees	Net Profits	Status
Air São Tomé (national airline)	...	...	...	...	Mixed enterprise
Africa Fishing, SA	49	...	...	...	To be privatized in 1998
EMAE (water and electricity)	100	26.40	315	-0.50	Strategic public enterprise
ENCO (petroleum products) 1/	100	34.00	32	5.10	Strategic public enterprise
EMOLVE (edible oil)	100	...	...	...	Public enterprise
Compensadora (insurance)	...	...	...	...	Liquidated
Correios (postal services)	100	0.63	60	0.04	Strategic public enterprise
CST (telecommunications)	49	104.50	135	3.20	Mixed enterprise
Cunha Gomes, SA	30	...	...	...	Mixed enterprise
ENASA (air traffic security)	100	...	103	...	Strategic public enterprise
ENAPORT (ports)	100	...	101	...	Strategic public enterprise
ENCAR (meat distribution)	100	...	...	...	Deactivated
Água Grande (textiles)	...	...	...	...	Privatized
ENAMED (pharmaceuticals)	100	...	10	...	Liquidated
Optica Nacional 2/ (eye glasses)	...	...	...	...	Deactivated
Pousada Boa Vista (hotel)	100	4.30	38	...	Management to be privatized in 1998

Source: São Tomé and Príncipe authorities.

1/ In 1998, 49 percent of the shares in ENCO were sold to private investors; the government retains 51 percent.

2/ Part of ENAMED.

Table 18. São Tomé and Príncipe: Monetary Survey, 1992-97 1/

	Old Series			New Series			
	1992	1993	1994	1994	1995	1996	1997 Est.
(In millions of dobras, end of period)							
Net foreign assets	-4,999	-8,898	-17,936	4,372	9,946	20,929	102,982
Foreign assets	4,002	7,125	17,311	11,699	21,145	36,734	139,065
Foreign liabilities	-9,001	-16,023	-35,247	-7,327	-11,199	-15,804	-36,083
Net domestic assets	9,470	14,840	31,445	9,426	10,389	16,113	-31,180
Net domestic credit	10,559	11,808	18,524	12,275	11,418	17,699	-23,309
Net credit to government	5,081	5,633	9,220	6,755	7,829	19,992	26,588
Claims	8,347	8,653	10,750	8,551	10,290	28,743	28,939
Budgetary deposits	-3,266	-3,020	-1,531	-1,796	-2,462	-8,752	-2,351
Budgetary deposits	-3,266	-3,020	-1,531	-1,796	-2,462	-8,752	-2,351
Counterpart funds	-4,736	-5,527	-7,426	-9,067	-10,942	-11,096	-61,844
Credit to the economy	10,213	11,702	16,731	14,587	14,531	8,803	11,947
Other items (net)	-1,088	3,032	12,921	-2,849	-1,029	-1,586	-7,870
Revaluation accounts	5,951	7,830	19,526	-2,792	2,018	4,825	21,426
Other	-7,039	-4,798	-6,605	-57	-3,047	-6,410	-29,297
Broad money	4,472	5,942	13,509	13,798	20,335	37,043	71,802
Money	4,222	5,934	13,508	8,420	14,281	23,213	40,610
Currency in circulation	1,304	1,740	3,221	3,264	4,794	6,845	14,818
Demand deposits	2,918	4,195	10,287	5,156	9,486	16,367	25,792
Quasi money	250	8	1	5,378	6,054	13,830	31,192
Time deposits (local currency)	250	8	1	90	99	745	389
Deposits in foreign exchange	...	...	...	5,288	5,956	13,086	30,803
(Changes in millions of dobras)							
Net foreign assets 2/	-641	-2,021	2,476	...	1,250	3,800	48,200
Net domestic assets	2,292	3,491	5,091	...	1,438	8,738	-31,894
Net domestic credit	676	1,250	6,716	...	-1,647	7,524	-32,882
Net credit to government 3/	1,846	552	3,586	...	574	11,800	12,367
Counterpart funds (nonbudgetary)	-1,761	-792	-1,899	...	-2,085	-6,385	-48,392
Credit to the economy	591	1,489	5,029	...	-136	2,109	3,144
Other items (net) 2/	1,616	2,241	-1,625	...	3,085	1,214	988
Broad money (M2)							
Change in M2 stock 4/	1,651	1,470	7,567	...	6,537	16,823	34,759
Adjusted M2 flow 2/	...	0	0	...	2,687	12,538	16,306

Table 18. São Tomé and Príncipe: Monetary Survey, 1992-97 1/ (concluded)

	Old Series			New Series			
	1992	1993	1994	1994	1995	1996	1997 Est.
	(Annual percentage changes)						
Net foreign assets 2/	...	40.4	-27.8	...	28.6	38.2	230.3
Net domestic assets	31.9	36.9	34.3	...	15.3	84.1	-197.9
Counterpart funds	-59.2	16.7	34.4	...	23.0	58.4	436.1
Credit to the economy	6.1	14.6	43.0	...	-0.9	14.5	35.7
Broad money (M2)							
Change in M2 stock 4/	58.5	32.9	127.3	...	47.4	82.7	93.8
Change in M2 in domestic currency		0.0	0.0	...	31.2	67.6	71.1
Adjusted M2 flow 2/	...	...	...	...	19.5	61.7	44.0
	(Changes in percent of opening broad money stock)						
Net foreign assets 2/	-22.7	-45.2	41.7	...	9.1	18.7	130.1
Net domestic assets 2/	81.3	78.1	85.7	...	10.4	43.0	-86.1
Net credit to government	65.4	12.4	60.4	...	4.2	58.0	33.4
Counterpart funds (nonbudgetary)	-62.4	-17.7	-32.0	...	-15.1	-31.4	-130.6
Credit to the economy	21.0	33.3	84.6	...	-1.0	10.4	8.5
Adjusted M2 flow 2/	...	...	...	...	19.5	61.7	44.0
Valuation effect on broad money	...	...	...	...	27.9	21.1	49.8

Sources: São Tomé and Príncipe authorities; and staff estimates and projections.

1/ As of December 1995, central bank stock data reflect regularization and liquidation of the outstanding operations of the former National Bank (BNSTP), as well as more accurate estimate of foreign assets and liabilities.

2/ After foreign exchange valuation adjustment.

3/ Starting in 1996, includes the use of counterpart funds for budgetary purposes (Db 8.1 billion in 1996; Db 2.4 billion in 1997) and the quasi-fiscal deficit of the central bank (Db 0.8 billion in 1996; Db 3.3 billion in 1997).

4/ Without foreign exchange valuation adjustment.

Table 19. Central Bank of São Tomé and Príncipe: Summary Accounts, 1992-97 1/ 2/

(In millions of dobras; end of period)

	Old Series			New Series			
	1992	1993	1994	1994	1995	1996	1997 Est.
Net foreign assets	-4,999	-8,981	-21,481	-1,760	81	222	49,609
Foreign assets	4,002	3,109	6,875	5,719	8,655	13,854	83,130
Foreign liabilities	-9,001	-12,090	-28,356	-7,479	-8,573	-13,631	-33,521
Net domestic assets	8,910	15,274	25,941	11,150	10,380	18,722	-3,208
Net domestic credit	10,059	12,423	13,505	17,374	10,250	14,745	-22,355
Net credit to government	5,081	7,659	10,750	8,551	10,290	23,305	28,104
Claims	8,347	8,653	10,750	8,551	10,290	28,743	28,939
Deposits 3/	-3,266	-994	0	0	0	-5,439	-835
Counterpart funds	-4,736	-5,477	-7,426	-8,933	-10,333	-10,521	-52,347
Claims on nonfinancial public enterprises	7,888	8,196	8,196	7,837	7,837	0	0
Claims on private sector	1,758	2,044	1,984	0	80	204	50
Claims on financial institutions	67	0	0	9,919	2,375	1,757	1,839
Other items (net)	-1,148	2,851	12,436	-6,224	131	3,977	19,146
Revaluation accounts	5,951	7,830	7,830	1,594	2,018	5,432	21,841
Other	-7,099	-4,979	4,606	-7,817	-1,888	-1,455	-2,695
Money and quasi money	3,912	...	...	...	...	...	...
Money 2/	3,662	...	...	...	...	...	...
Currency in circulation	1,333	...	...	...	...	...	...
Demand deposits	2,329	...	...	...	...	...	...
Quasi money	250	...	...	...	...	...	...
Base money	...	6,293	4,461	9,390	10,462	18,945	46,401
Currency liabilities	...	1,949	3,760	3,760	5,015	7,562	16,358
Reserve deposits	...	4,344	701	5,631	5,447	11,383	30,043

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ In March 1993, the National Bank (BNSTP) divested itself of its commercial banking functions and began operations as the Central Bank (BCSTP). The 1995 data reflect regularization and liquidation of the BNSTP's outstanding operations.

2/ As of November 1994, data reflect corrections to, and improvements on, the basic accounts, in particular a more accurate estimate of foreign assets and liabilities.

3/ Beginning in 1996, government deposits denominated in foreign currency are included in counterpart funds.

Table 20. São Tomé and Príncipe: Summary Accounts of Banking Institutions, 1994-97

(In millions of dobras; end of period)

	1994	1995	1996	1997 Est.
Net foreign assets	6,890	9,865	20,707	53,373
Foreign assets	7,335	12,491	22,880	55,935
Foreign liabilities	-445	-2,626	-2,173	-2,562
Net domestic assets	3,644	5,676	9,490	3,611
Reserves	4,764	5,488	12,730	30,646
Cash on hand	496	221	716	1,540
Local currency deposits at the central bank	757	1,198	6,623	26,421
Foreign currency deposits at the central bank	3,044	4,069	5,390	2,685
Deposits in other domestic financial institutions	466	0	0	0
Deposits of other public institutions and social security 1/	-655	...	...	...
Credit from the central bank	0	-250	-1,150	-1,200
Net domestic credit	4,820	3,543	4,711	-1,616
Net credit to Government 2/	-1,930	-3,071	-3,888	-13,513
Credit to the economy	6,750	6,614	8,599	11,897
Other items (net)	-5,285	-3,105	-6,801	-24,219
Money	10,534	15,541	30,198	56,984
Demand deposits	5,156	9,431	16,367	25,792
Deposits in foreign exchange	5,288	6,011	13,086	30,803
Time deposits in local currency	90	99	745	389

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Beginning in 1995, other public institutions deposits are included in demand deposits.

2/ Including nonbudgetary counterpart funds.

Table 21. São Tomé and Príncipe: Structure of Interest Rates, 1991-97

(In percent per annum; end of period)

	1991	1992	1993 1/	1994	1995	1996	1997
Deposits							
Sight deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Term deposits							
30-90 days	30.0	30.0	...	...	...	30.0	40.5
90-180 days	35.0	35.0	...	...	...	31.0	41.5
180-365 days	39.0	39.0	...	...	...	33.0	43.5
Over one year	...	...	...	...	...	36.0	46.5
Credits							
Commercial and industrial credits							
30-90 days	37.0	37.0	37.0	30.0	52.0	38.0	...
90-180 days	37.0	37.0	37.0	30.0	52.0	38.0	56.0
180 - 365 days	40.0	40.0	40.0	30.0	52.0	40.0	57.5
Over one year	44.0	44.0	44.0	30.0	52.0	42.0	59.5
Short-term crop credit	...	36.0	36.0	36.0	30.0	...	55.5
Housing loans	40.0	40.0	40.0	25.0	52.0	...	...
Medium-term investment credit and other	...	...	...	...	...	...	...
Discount rate	45.0	45.0	30.0	32.0	50.0	35.0	55.0
Memorandum items:							
Deposits of 180-365 days' maturity (in real terms) 2/	-9.0	9.2	...	...	...	-12.3	-20.8
Commercial and industrial credits of 180-365 days' maturity (in real terms) 2/	-8.3	10.0	5.5	-25.9	11.0	-7.7	-13.0

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Between November 12, 1993 and May 1, 1996, commercial banks were free to set their lending rates, subject to a 22 percent maximum. The lending and deposit rates indicated for 1996 are maximum and minimum rates, respectively.

2/ Real interest rates calculated on the basis of end-of-period rates of inflation, as estimated by staff.

Table 22. São Tomé and Príncipe: Balance of Payments, 1992-97

(In millions of U.S. dollars)

	1992	1993	1994	1995	1996	1997 Est.
Trade balance	-17.2	-20.4	-18.5	-18.3	-14.9	-13.9
Exports, f.o.b.	5.2	5.2	5.9	5.1	4.9	5.3
Cocoa	4.2	4.2	5.0	4.7	4.8	4.6
Other	1.0	1.0	0.9	0.4	0.2	0.8
Imports, f.o.b.	-22.5	-25.6	-24.3	-23.4	-19.8	-19.2
Food	-4.6	-5.6	-5.2	-5.9	-4.7	-3.8
Investment goods	-7.5	-9.1	-9.8	-9.9	-5.9	-5.6
Petroleum products	-2.2	-1.8	-1.8	-2.1	-3.0	-3.8
Other	-8.1	-9.1	-7.5	-5.6	-6.2	-6.0
Services and income (net)	-18.1	-16.9	-16.3	-23.3	-21.2	-19.8
Exports of services	5.0	5.4	5.9	4.3	5.7	7.1
Travel and tourism	...	2.2	2.7	2.8	3.0	4.0
Other services	...	3.1	3.2	1.5	2.7	3.1
Imports of nonfactor services	-18.1	-16.8	-16.7	-22.1	-22.2	-22.1
Freight and insurance	-5.6	-6.4	-6.1	-5.9	-5.0	-5.1
Technical assistance	-5.5	-3.8	-4.6	-10.2	-9.5	-10.0
Other	-6.9	-6.6	-6.0	-6.1	-7.7	-7.0
Interest due	-4.9	-5.5	-5.5	-5.5	-4.7	-4.8
Private transfers (net)	1.1	1.5	3.4	0.6	0.5	0.8
Current account (net) before official transfers	-34.2	-35.9	-31.3	-41.1	-35.6	-32.9
Official transfers (net)	10.9	11.5	14.7	22.7	21.6	31.3
Public investment projects	3.9	5.5	8.3	8.9	9.9	12.0
Aid in kind	3.7	3.5	4.0	3.7	0.5	2.8
Stabilization system for export earnings	0.0	0.0	0.0	2.0	0.8	0.2
Other	3.3	2.4	2.5	8.1	10.3	16.3
Current account (net) after official transfers	-23.3	-24.4	-16.6	-18.4	-14.0	-1.6
Medium- and long-term capital (net)	13.1	8.8	7.0	10.8	11.8	2.7
Project loans	12.4	10.2	11.4	13.3	8.6	6.2
Nonproject loans	6.4	2.2	0.1	0.2	3.7	0.0
Direct foreign investment	1.3	4.0	1.8	1.9	2.4	0.4
Amortization	-7.0	-7.6	-6.3	-4.6	-2.9	-3.9
Short-term capital and errors and omissions	-1.0	0.2	1.9	0.2	-2.6	-0.4
Overall balance	-11.2	-15.3	-7.7	-7.4	-4.8	0.8
Financing	8.1	13.9	-4.2	-22.6	4.8	-0.8
Net change in reserves (increase -)	2.0	4.7	-2.1	-0.4	0.1	-7.0
Medium- and long-term arrears (net; decrease -)	4.1	7.2	6.6	-21.9	5.0	6.5
Short-term arrears (net; decrease -)	2.0	2.0	-8.5	0.0	0.0	0.0
Structural Adjustment Facility (net)	0.0	0.0	-0.1	-0.2	-0.2	-0.2
Financing gap	3.1	1.4	11.9	29.9	0.0	0.0
Debt relief	3.1	1.4	11.9	29.9	0.0	0.0
Memorandum items:						
Debt-service ratio (before debt relief) 1/ 2/	116.5	124.7	101.0	110.3	73.5	71.9
Debt service actually paid 1/ 3/	26.9	23.8	16.6	24.4	26.6	19.8
Current account (in percent of GDP) 4/	-75.1	-75.3	-63.3	-90.3	-79.2	-75.0
Current account (in percent of GDP) 5/	-51.2	-51.1	-33.6	-40.5	-31.2	-3.6

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ In percent of exports of goods and services.

2/ Includes amortization to the IMF; excludes arrears.

3/ Includes obligations to the IMF and cash settlement of arrears.

4/ Before grants.

5/ After grants

Table 23. São Tomé and Príncipe: Composition of Exports, 1992-97

	1992	1993	1994	1995	1996	1997
(In millions of U.S. dollars)						
Value	5.23	5.15	5.86	5.10	4.94	5.34
Cocoa	4.23	4.15	4.97	4.71	4.76	4.59
Copra	0.33	0.00	0.00 1/	0.00	0.00	0.00
Coffee	0.05	0.05	0.05	0.04	0.00 1/	0.04
Other	0.62	0.95	0.84	0.36	0.18	0.71
(In metric tons)						
Cocoa	4,363	3,725	3,716	3,400	3,170	2,840
Copra	1,350	0	14	0	0	0
Coffee	22	...	...	...	...	...
Other	785	...	...	...	...	...
(U.S. dollars per kilogram)						
Cocoa	0.97	1.12	1.34	1.40	1.50	1.61
Copra	0.24	...	0.04	...	...	...
Coffee	2.27	...	...	...	...	...
Other	1.04	...	...	...	...	...

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Less than US\$0.005 million.

Table 24. São Tomé and Príncipe: Composition of Imports, 1992-97

	1992	1993	1994	1995	1996	1997
(In millions of U.S. dollars)						
Total imports, c.i.f.	28.1	32.0	30.4	29.3	24.8	24.0
Foodstuffs	5.8	7.1	6.5	7.4	5.9	4.7
<i>Of which: grants</i>	3.7	3.5	4.0	3.7	0.5	...
Petroleum products	2.8	2.2	2.2	2.6	3.8	4.8
Investment goods	9.4	11.4	12.2	12.4	7.4 1/	7.0
Other	10.1	11.3	9.4	7.0	7.6 1/	7.5
(In percent of total)						
Total imports, c.i.f.	100.0	100.0	100.0	100.0	100.0	100.0
Foodstuffs	20.6	22.1	21.5	25.1	23.8	19.6
<i>Of which: grants</i>	13.1	11.1	13.1	13.1	2.0	...
Petroleum products	10.0	6.8	7.2	8.7	15.4	20.0
Investment goods	33.5	35.7	40.2	42.2	29.8 1/	29.2
Other	36.0	35.4	31.0	23.9	30.7 1/	31.2

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Due to improved data classification between investment and "other" goods for 1996 and 1997, these two categories are not comparable to previous years.

Table 25. São Tomé and Príncipe: Destination of Exports, 1992-97

	1992	1993	1994	1995	1996	1997
(In millions of U.S. dollars)						
Total exports, f.o.b.	5.2	5.2	5.9	5.1	4.9	5.3
China, People's Republic of	0.2	0.0	0.0	0.0	0.0	0.0
Germany	0.8	0.0	0.0	0.0	1.0	0.3
Netherlands	1.8	4.3	5.1	3.6	3.2	2.7
Portugal	0.1	0.0 1/	0.0 1/	0.1	0.1	0.3
Other	2.3	0.9	0.8	1.4	0.6	2.0
(In percent of total)						
Total exports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0
China, People's Republic of	3.9	0.0	0.0	0.0	0.0	0.0
Germany	15.4	0.0	0.0	0.0	20.9	5.7
Netherlands	34.6	82.7	86.4	70.5	63.9	50.9
Portugal	1.9	0.7	0.6	1.9	2.0	5.7
Other	44.2	16.6	13.0	27.6	13.2	37.7

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Less than US\$0.05 million.

Table 26. São Tomé and Príncipe: Origin of Imports, 1992-97

	1992	1993	1994	1995	1996	1997
(In millions of U.S. dollars)						
Total imports, c.i.f.	28.1	32.0	30.4	29.3	24.8	24.0
Angola	1.3	2.3	1.5	1.3	3.3	1.6
Belgium	1.2	2.1	2.3	1.9	2.5	1.4
China, People's Republic of	0.5	0.5	0.3	0.0	0.3	0.0
France	1.9	2.0	3.1	4.9	2.0	4.3
Gabon	0.9	2.0	0.6	0.2	0.1	0.2
Germany	0.1	0.4	0.8	0.6	0.3	0.4
Italy	0.1	1.7	0.5	2.1	0.7	0.1
Japan	2.0	3.1	1.6	4.2	2.5	0.8
Netherlands	1.0	0.3	0.7	0.8	0.2	0.0
Portugal	10.9	11.3	8.6	11.2	7.2	6.3
Spain	1.9	0.2	0.1	0.1	0.5	0.0
United Kingdom	0.0	0.1	0.3	0.2	1.1	0.0
Russian Federation	0.0	0.0	0.0	0.0	0.0	0.0
Other	6.4	5.9	10.0	2.0	4.1	8.9

Source: São Tomé and Príncipe authorities.

Table 27. São Tomé and Príncipe: Export, Import, and Terms of Trade Indices, 1992-97 1/

(1987 = 100, unless otherwise specified)

	1992	1993	1994	1995	1996	1997
Export unit value index	63.0	72.5	86.9	91.0	97.7	105.2
Import unit value index 2/	94.3	83.2	78.7	84.9	101.1	95.1
Terms of trade	66.9	65.7	110.5	107.2	96.7	110.7
				(Annual percentage change)		
Terms of trade	-7.2	-1.7	68.0	-3.0	-9.8	14.5

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ In U.S. dollar terms.

2/ Calculated using export unit value indices of partner countries.

Table 28. São Tomé and Príncipe: Indicators of External Public Debt, 1992-97 1/

	1992	1993	1994	1995	1996	1997 Est.
(In millions of U.S. dollars; end of period)						
Disbursed medium- and long-term debt outstanding	178.5	197.4	214.1	226.8	234.0	235.5
<i>Of which: arrears</i>	37.4	44.6	51.2	23.6	29.3	29.6
Short-term debt outstanding	37.8	39.8	31.3	26.8	31.8	31.8
<i>Of which: arrears</i>	37.8	39.8	31.3	26.8	31.8	31.8
Total external debt outstanding	216.3	237.2	245.4	253.6	265.8	267.3
<i>Of which: arrears</i>	75.2	84.4	82.5	50.3	61.1	61.4
Debt service due on medium- and long-term debt	11.9	13.1	11.8	10.3	7.9	8.7
Interest	4.9	5.5	5.5	5.5	4.7	4.8
Amortization	7.0	7.6	6.3	4.6	3.2	3.9
Debt relief 2/	3.1	1.4	11.9	29.9	0.0	0.0
(In percent of exports of goods and services)						
External debt service						
Before rescheduling	116.1	124.7	101.0	110.3	73.5	71.9
After rescheduling	86.2	111.4	98.5	99.3	73.5	71.9
Cash settlements 3/	26.8	23.8	16.6	24.4	26.6	19.6
Present value of external debt	1,595	1,459	1,422	1,616	1,446	1,298
(In percent of GDP)						
Total external debt outstanding (end of period, including arrears)	475.8	498.1	495.2	557.4	592.1	610.4

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Includes IMF.

2/ Current maturities and arrears rescheduled, refinanced, or forgiven.

3/ Includes arrears.

Table 29. São Tomé and Príncipe: Outstanding External Medium- and Long-Term Public Debt, 1992-97 1/

(In millions of U.S. dollars)

	1992	1993	1994	1995	1996	1997 Est.
Total 2/	178.5	197.4	214.1	226.8	234.0	235.5
<i>Of which: arrears</i>	37.4	44.6	51.2	23.6	29.3	29.6
Multilateral creditors 2/	108.4	122.4	136.1	155.2	162.2	158.3
<i>Of which: arrears</i>	0.1	1.1	2.4	5.0	5.7	5.2
World Bank	32.0	38.3	46.7	55.3	59.5	57.4
African Development Bank Group 3/	60.5	66.8	72.2	80.9	83.8	81.3
Arab Bank for Economic Development in Africa	8.5	8.6	8.6	8.4	8.5	8.6
Other 2/	7.5	8.7	8.6	10.6	10.5	11.0
Official bilateral creditors	39.3	42.8	44.1	71.6	71.7	77.2
<i>Of which: arrears</i>	12.7	14.4	15.9	18.6	23.5	24.4
China, People's Republic of	5.3	5.4	6.0	5.7	5.7	11.2
France	7.7	8.6	9.1	9.8	9.2	8.0
Germany	11.0	12.2	12.7	8.9	8.9	9.0
Russian Federation	8.6	8.9	9.0	10.6	11.1	11.9
Other 4/	6.7	7.7	7.3	36.6	36.8	37.1
Financial institutions	25.5	26.2	27.5	0.0	0.0	0.0
<i>Of which: arrears</i>	19.2	23.1	26.5	0.0	0.0	0.0
Portugal	25.3	26.2	27.5	0.0	0.0	0.0
Other	0.2	0.0	0.0	0.0	0.0	0.0
Suppliers' credits	5.4	6.0	6.4	0.0	0.0	0.0
<i>Of which: arrears</i>	5.4	6.0	6.4	0.0	0.0	0.0
Portugal	1.1	1.3	1.3	0.0	0.0	0.0
Other	4.3	4.8	5.0	0.0	0.0	0.0

Sources: São Tomé and Príncipe authorities; and staff estimates.

1/ Debt with maturity of more than one year.

2/ Includes IMF.

3/ Includes African Development Fund.

4/ Includes debt to Portuguese financial institutions that was assumed by the Portuguese government and rescheduled in March 1995.

Table 30. São Tomé and Príncipe: Exchange Rates, 1989-97

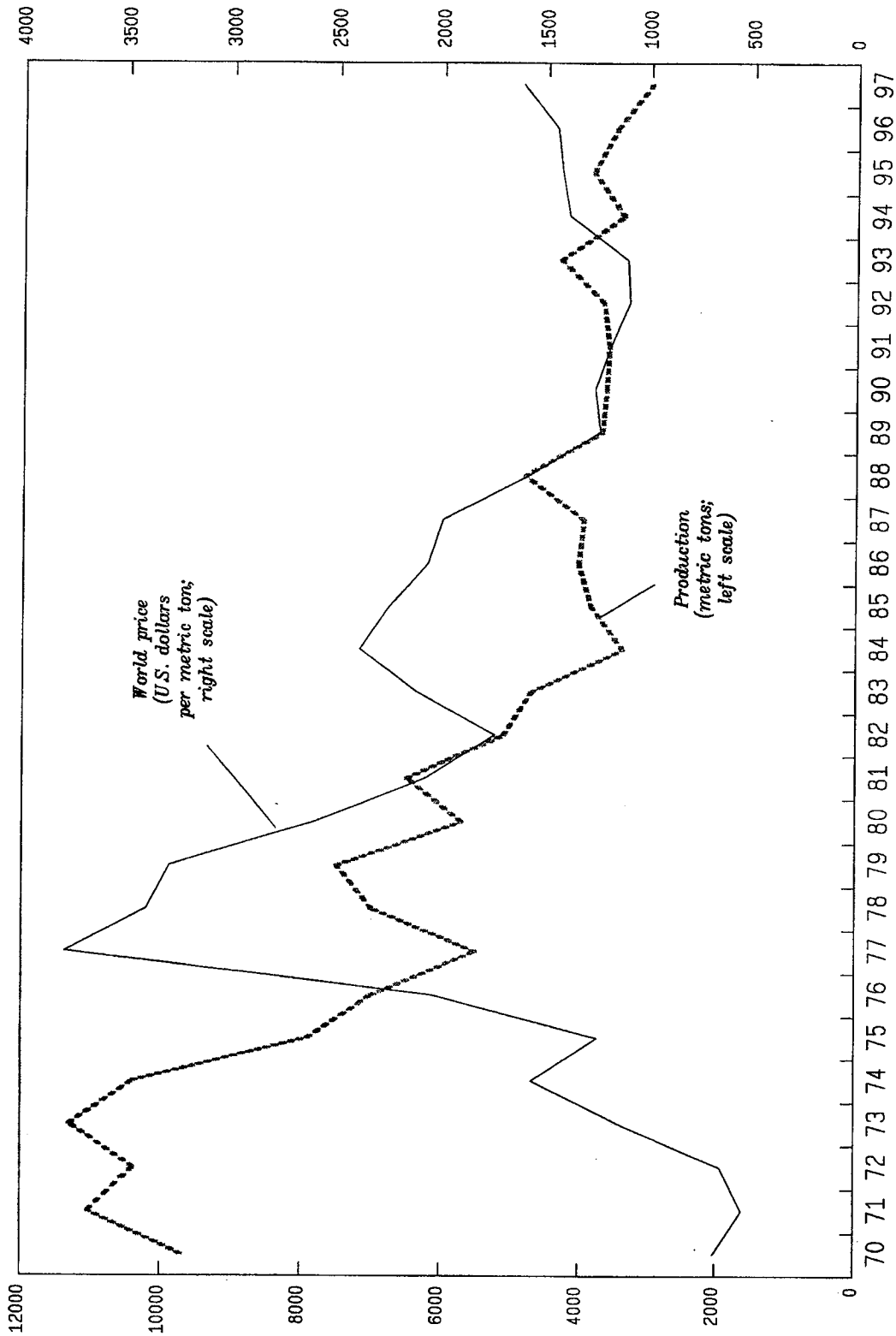
	Nominal effective Exchange Rate Index 1/ (1992 = 100)	Official Rate (Db/US\$; period average)	Bureau de change Rate (Db/US\$; period average)	BISTP Rate (Db/US\$; period average)	BCE (Db/US\$; period average)	Parallel Market Rate (Db/US\$; period average)	Differential Between the Official and Parallel Market rates 2/
Annual							
1989	225.9	124.7	...	...	...	182.0	46.0
1990	197.0	143.3	...	...	...	207.0	44.5
1991	161.4	201.6	...	...	...	256.0	27.0
1992	100.0	320.4	...	...	...	330.0	3.0
1993	91.9	429.9	...	...	...	555.0	29.1
1994	65.3	732.6	812.9	...	...	904.0	23.4
1995	32.1	1,420.3	1,444.0	1,393.0	...	1,530.0	7.7
1996	21.5	2,203.2	2,316.0	2,210.0	2,250.0	2,346.0	6.5
1997	12.0	4552.5	4495.9	4565.3	4414.2	4611.2	1.3
Quarterly							
1989 Q1	239.1	111.8	...	...	...	167.0	49.4
Q2	224.3	125.0	...	...	...	172.0	37.6
Q3	229.4	125.2	...	...	...	197.0	57.4
Q4	211.1	137.0	...	...	...	193.0	40.9
1990 Q1	204.7	140.7	...	...	...	192.0	36.5
Q2	197.8	146.9	...	...	...	212.0	44.3
Q3	191.6	145.9	...	...	...	210.0	43.9
Q4	194.0	139.8	...	...	...	215.0	53.8
1991 Q1	199.4	142.9	...	...	...	215.0	50.5
Q2	182.2	173.8	...	...	...	230.0	32.3
Q3	152.1	214.7	...	...	...	267.0	24.4
Q4	112.0	275.0	...	...	...	313.0	13.8
1992 Q1	107.4	291.8	...	...	...	315.0	8.0
Q2	103.0	308.3	...	...	...	315.0	2.2
Q3	94.3	323.5	...	...	...	325.0	0.5
Q4	95.2	358.0	...	...	...	363.0	1.4
1993 Q1	95.0	389.3	...	...	...	463.0	18.9
Q2	92.6	406.2	...	...	...	550.0	35.4
Q3	91.0	446.8	...	...	...	604.0	35.2
Q4	89.0	477.2	592.2	...	...	601.0	25.9
1994 Q1	79.5	585.4	648.8	...	...	657.0	12.2
Q2	75.0	624.6	749.8	...	...	792.0	26.8
Q3	57.8	788.5	858.0	...	...	1,000.0	26.8
Q4	49.0	932.0	994.9	...	...	1,167.0	25.2
1995 Q1	33.9	1,337.6	1,354.0	1,313.0	...	1,400.0	4.7
Q2	35.8	1,234.9	1,272.0	1,221.0	...	1,290.0	4.5
Q3	33.8	1,365.9	1,408.0	1,343.0	...	1,550.0	13.5
Q4	26.0	1,742.9	1,742.0	1,694.0	...	1,881.0	7.9
1996 Q1	24.7	1,874.7	1,991.7	1,884.0	...	2,053.7	9.5
Q2	21.3	2,219.6	2,427.6	2,220.6	2,103.4	2,439.1	9.9
Q3	20.2	2,309.1	2,349.1	2,306.8	2,326.4	2,346.3	1.6
Q4	19.5	2,409.2	2,494.2	2,426.9	2,410.0	2,546.3	5.7
1997 Q1	16.1	3090.0	3034.6	3124.4	3123.5	3118.7	0.9
Q2	12.5	4091.4	3970.0	4085.6	3548.5	4178.7	2.1
Q3	10.6	4937.3	4820.0	4961.1	4939.5	4959.9	0.5
Q4	8.6	6091.3	6158.9	6090.0	6045.3	6187.6	1.6

Sources: São Tomé and Príncipe authorities; and staff calculations.

1/ Trade weighted.

2/ In percent of the official rate.

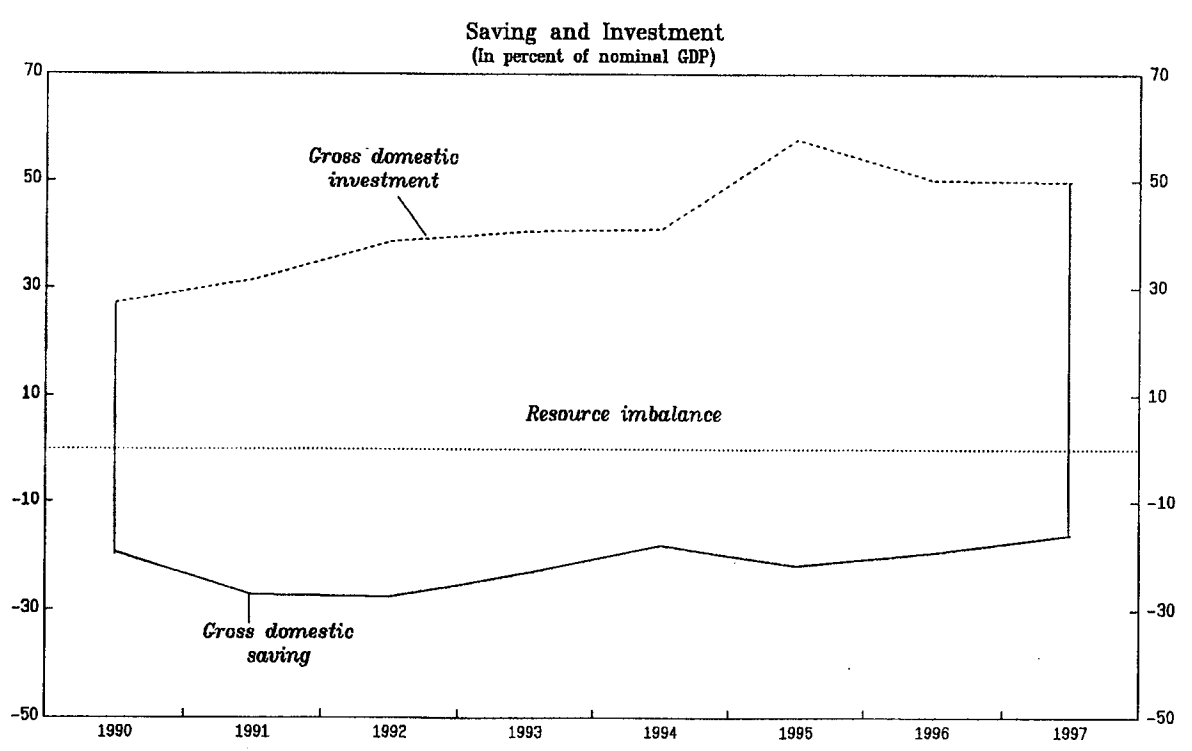
Figure 1
Sao Tome and Principe
Prices and Production of Cocoa, 1970-97



Sources: Sao Tome and Principe authorities; and staff estimates.

Figure 2

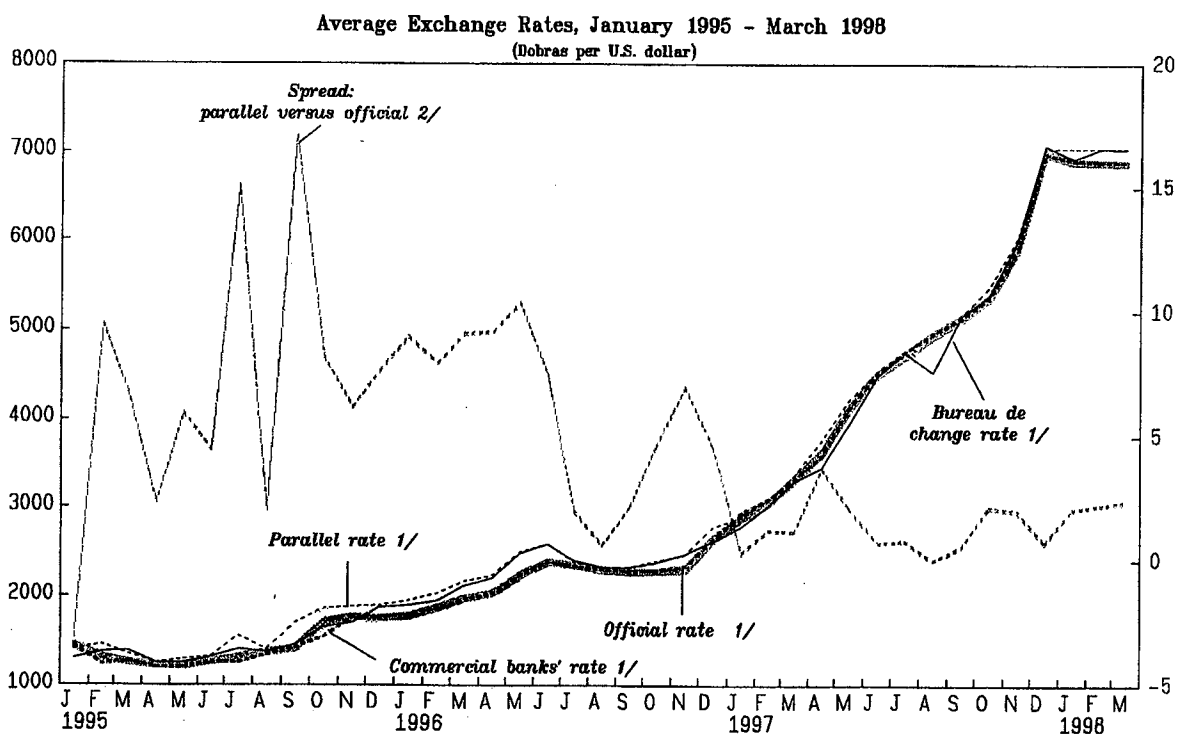
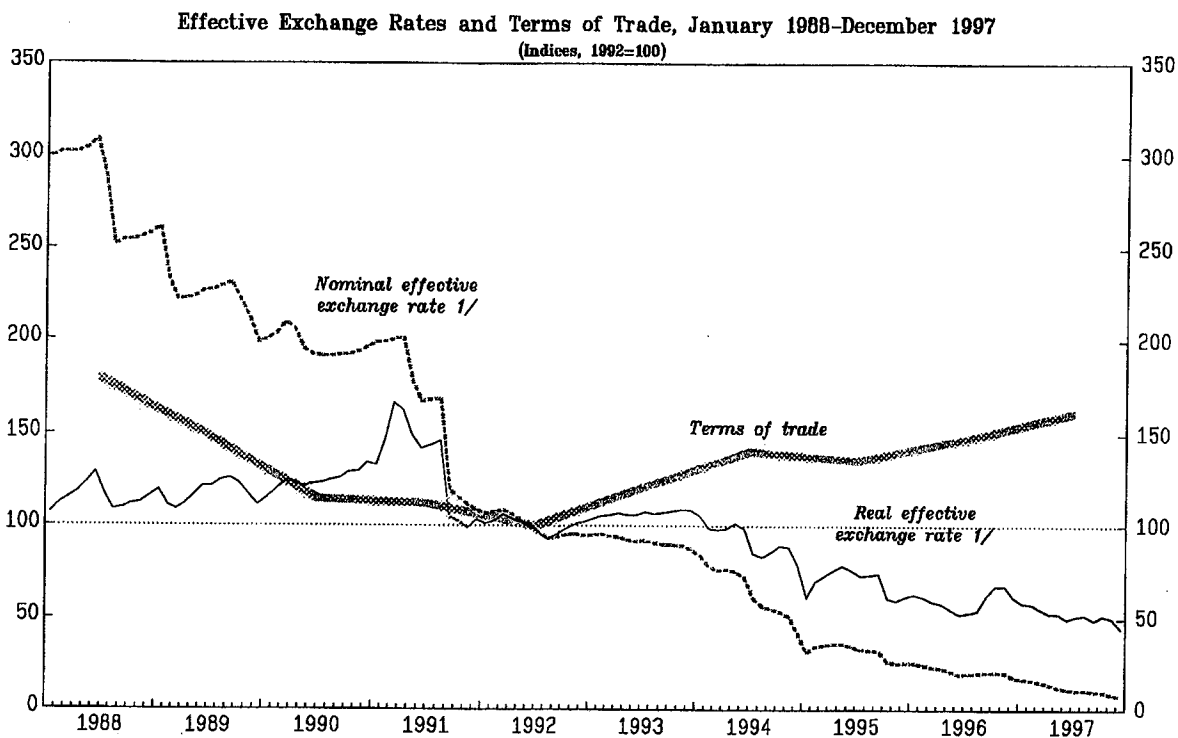
Sao Tome and Principe Output, Prices, Saving, and Investment, 1990-97



Sources: Sao Tome and Principe authorities; and staff estimates.

Figure 3

Sao Tome and Principe
Exchange Rates and Terms of Trade

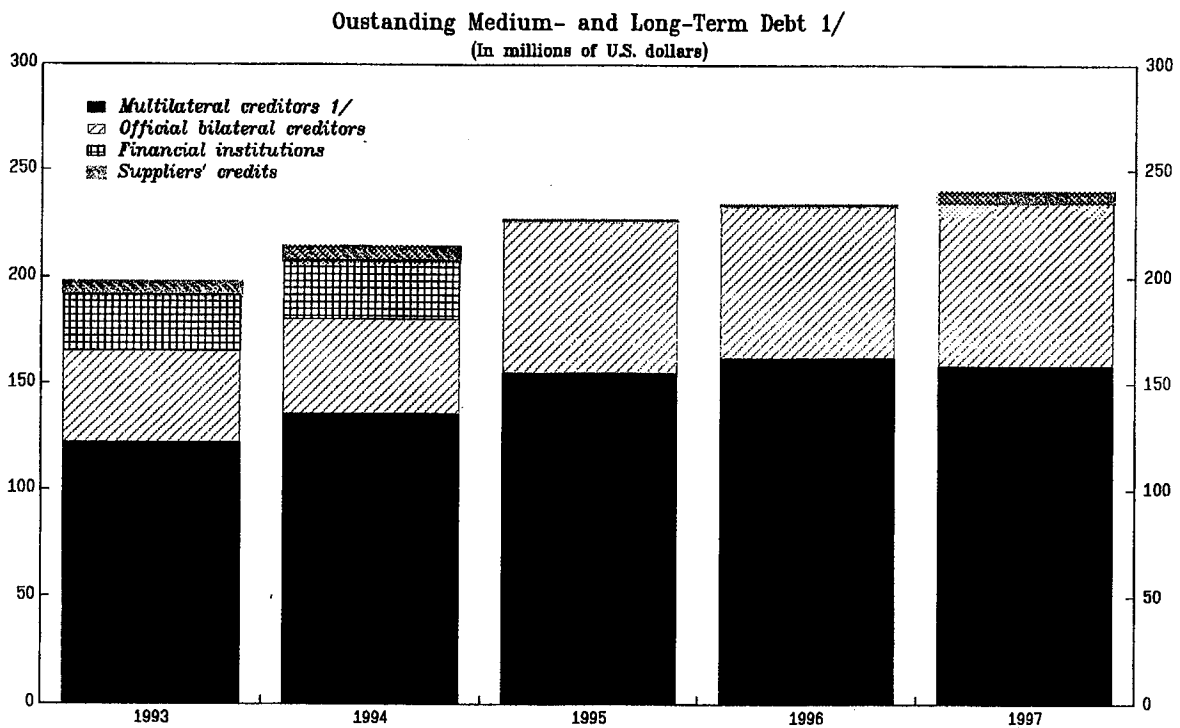
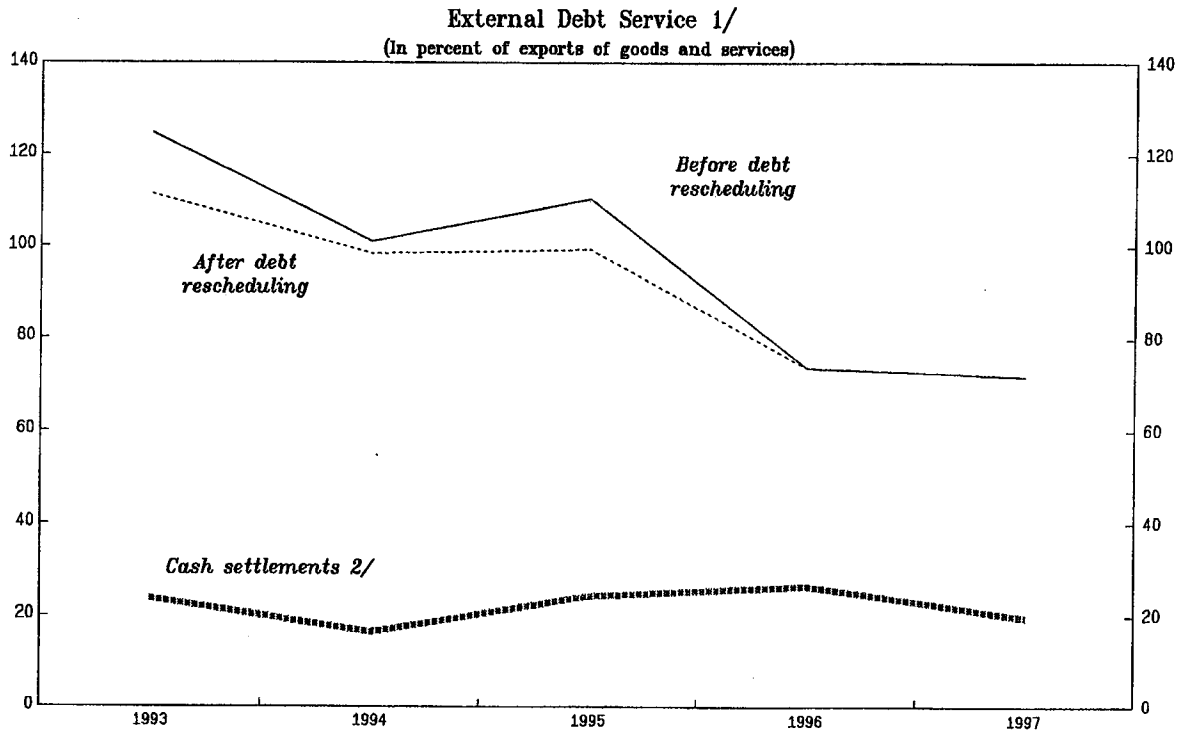


Sources: Sao Tome and Principe authorities; World Economic Outlook database; and staff estimates.

1/ Dobras per U.S. dollar; left scale.

2/ In percent; right scale.

Sao Tome and Principe
Public Sector External Debt, 1993-97



Sources: Sao Tome and Principe authorities; and staff estimates.

1/ Includes IMF.
2/ Includes arrears.

Tax	Nature of Tax	Exemptions or Deductions	Rates
1. Taxes on income, profit, and capital gains			
1.1 Individual			
1.1.1 Income tax (<i>Imposto sobre salários</i>) (Decree-Law 64/97).	Levied on all domestically earned income, in cash and in kind. The tax is withheld at source and payable within the first eight days of the month after the income was paid. It is levied on all individuals, including nonresidents who earn income in the country.	<p>Earned annual income up to Db 480,000.</p> <p>Salary supplements, up to 10 percent of the fixed monthly salary.</p> <p>Expense allowances and per diem and representation allowances, up to the limits set for government employees.</p> <p>Income of clergy from exercise of their spiritual functions.</p> <p>Personnel of diplomatic and consular missions or in the service of international or foreign organizations.</p>	Flat 13 percent tax; Db 5,000 monthly deductible.

Tax	Nature of Tax	Exemptions or Deductions	Rates
1.2 Corporate			
1.2.1 Profit tax (<i>Imposto sobre o rendimento</i>) (Decree-Law 9/93 of March 5, 1993; Decree-Law 84/93 of December 31, 1993; Decree-Law 46/93 of August 10, 1993; Decree-Law 58/95 of December 31, 1995; Decree-Law 40/96 of October 29, 1996).	Levied on all domestic income from any commercial, industrial, or agricultural business or independent profession, even if occasional or temporary.	<p>Profits from investment of dividends from mutual aid societies and nonprofit cooperatives.</p> <p>50 percent of profits from agricultural activities.</p> <p>Special exemptions granted in the context of the investment code.</p>	<p>For commercial, industrial and service businesses, flat 30 percent rate on taxable profit, an additional 15 percent rate on taxable profits in excess of Db 3 million.</p> <p>For independent professionals, five-bracket schedule applicable to taxable profit, with</p> <ul style="list-style-type: none"> • progressive rates from 5 percent to 30 percent for taxable profit from Db 60,001 to Db 3,000,000; and • flat rate of 30 percent for taxable profit above Db 3,000,000, plus 15 percent surcharge on portion of taxable profit in excess of Db 3,000,000.
1.2.2. Minimum tax (<i>Valor mínimo</i>) (Decree-Law 58/95 of December 31, 1995).	This presumptive tax on profits, which replaces the <i>contribuição industrial fixa</i> , must be paid during the first half of the year by all commercial, industrial, and artisanal businesses as well as by self-employed professionals.	None.	<p>Revenue obtained from rental of urban property is taxed at a rate of 20 percent.</p> <p>Six progressive taxes ranging from Db 3,000 to Db 150,000.</p>
	The minimum tax is deductible from the profit tax when the latter is positive.		

Tax	Nature of Tax	Exemptions or Deductions	Rates
2. Taxes on property			
2.1 Urban property tax (<i>Contribuição predial urbana</i>) (Legislative Act 450 of September 8, 1954; Decree-Law 57/81 of November 28, 1981; Decree-Law 16/93 of March 5, 1993; Decree-Law 45/93 of August 10, 1993; Decree-Law 84/93 of December 31, 1993; Decree-Law 40/96 of October 29, 1996).	<ul style="list-style-type: none"> • Levied on all urban property, including permanent buildings intended for housing, commercial, or industrial purposes other than exploitation of land, and the land on which the buildings are located; and • land for construction when declared as such by the owner or by law. 	<p>Central government properties.</p> <ul style="list-style-type: none"> • For two years, permanent buildings for use as dwellings by owners or their families, including buildings replacing demolished buildings, provided the construction period does not exceed 24 months. • Owners of property whose total income does not exceed Db 2,000. • All property owned by religious entities pursuant to their purposes. 	<p>15 percent on registered value corrected according to the following factors:</p> <ul style="list-style-type: none"> • Factor of 8 for property registered before Dec. 31, 1970; • Factor of 4 for property registered between Jan. 1, 1971 and Dec. 31, 1980; • Factor of 2 for property registered between Jan. 1, 1981 and Dec. 31, 1990; • Factor of 1.5 for property registered between Jan. 1, 1991 and Apr. 30, 1993; and • Factor of 1 for property registered after May 1, 1993.

Tax	Nature of Tax	Exemptions or Deductions	Rates
2.2	Motor vehicle tax (<i>Imposto sobre veículos</i>) (Decree-Law 13/93 of March 5, 1993; Decree-Law of December 31, 1993).	<p>Levied on motor vehicles equipped with engines larger than 50cc, either registered in the country or starting 180 days within entry into the country, that circulate or are parked in public thoroughfares or places.</p> <p>The central government and any of its agencies, organizations, or services, except state-owned and mixed enterprises.</p> <p>Citizens of countries giving reciprocal treatment.</p> <p>Personnel of diplomatic and consular missions, pursuant to agreements.</p> <p>International or foreign organizations, pursuant to agreements.</p> <p>Driver-training vehicles.</p> <p>Duly registered rental vehicles.</p> <p>Duly registered boats used in artisanal fishing.</p>	<p>The taxes are reviewed annually, and vary according to the size and the age of the vehicle:</p> <ul style="list-style-type: none"> • Vehicles over 50cc up to 500cc are taxed Db 500 if less than 6 years old, and Db 1,000 if more than 6 years old. • Vehicles over 500cc up to 1,300cc are taxed Db 2,500 if less than 6 years old, and Db 4,000 if more than 6 years old. • Vehicles over 1,300cc up to 1,900cc are taxed Db 4,000 if less than 6 years old, and Db 6,000 if more than 6 years old. • Vehicles over 1,900cc are taxed Db 6,000 if less than 6 years old, and Db 10,000 if more than 6 years old.
		New vehicles purchased after October 31, 1997.	For recreational boats, tariffs are as follows:
		Farm tractors.	<ul style="list-style-type: none"> • For recreational boats up to 25hp, tariffs are Db 500 if up to 6 years old, and Db 1,000 if more than 6 years old.
		Motorcycles used for transporting freight.	<ul style="list-style-type: none"> • For each 10 hp or fraction over 25hp, there are additional tariffs of Db 500 for boats up to 6 years old, and Db 1,000 for boats more than 6 years old.

Tax	Nature of Tax	Exemptions or Deductions	Rates														
3. Domestic taxes on goods and services																	
3.1 Excise tax (<i>Imposto sobre o consumo</i>) (Decree-Law 20/76 of June 30, 1976; Decree-Law 47/91 of October 17, 1991; Decree-Law 14/93 of March 5, 1993; Decree-Law 41/93 of July 27, 1993; Decree-Law 53/95 of November 17, 1995).	<p>Levied on the value of goods listed in the schedules annexed to Decree-Laws 14/93 and 41/93, with the following valuation methods:</p> <ul style="list-style-type: none"> • The factory gate selling price is applied to locally produced goods not distributed by an associated or subsidiary enterprise. • The distributor's selling price less 20 percent is used if the producer is associated with the distributor or the subsidiary enterprise. • The domestic value, import taxes included, is applied in the case of imports. • If the producer sells his goods directly to consumers, the factory gate price cannot, for purposes of the excise tax, be less than the price charged to the consumer less 20 percent. <p>The tax is chargeable to</p> <ul style="list-style-type: none"> • the producer, in the case of locally produced goods; and • the importer, in the case of imports. 	<p>Locally produced goods exported or re-exported directly from the industrial establishment.</p> <p>Raw materials, equipment, and finished or semifinished products, whether locally produced or imported, for use in industrial, agricultural, or fishing activities, including artisanal fishing, or for incorporation into locally produced items.</p> <p>Imported or locally produced materials for packaging of agricultural exports.</p> <p>Alcohol needed in industrial processes.</p> <p>Gasoline for vehicles of diplomats, subject to reciprocity, and of officials of international organizations.</p> <p>Gasoline for aviation equipment for public use.</p>	<p>General tax of 15 percent, with the following exceptions, as listed in the schedules annexed to Decree-Laws 14/93 and 41/93:</p> <table border="0"> <thead> <tr> <th data-bbox="560 420 592 514"><i>Products</i></th> <th data-bbox="527 252 560 325"><i>Rates</i> (percent)</th> </tr> </thead> <tbody> <tr> <td data-bbox="625 336 657 514">Petroleum goods</td> <td data-bbox="625 231 657 325">15-130</td> </tr> <tr> <td data-bbox="657 336 690 514">Motor vehicles</td> <td data-bbox="657 231 690 325">15-50</td> </tr> <tr> <td data-bbox="690 336 722 514">Soft drinks</td> <td data-bbox="690 231 722 325">10-15</td> </tr> <tr> <td data-bbox="722 336 755 514">Alcoholic drinks</td> <td data-bbox="722 231 755 325">60-130</td> </tr> <tr> <td data-bbox="755 336 787 514">Tobacco</td> <td data-bbox="755 231 787 325">100-250</td> </tr> <tr> <td data-bbox="787 315 901 514">Books, basic food, construction material, pharmaceuticals</td> <td data-bbox="876 262 901 294">0</td> </tr> </tbody> </table>	<i>Products</i>	<i>Rates</i> (percent)	Petroleum goods	15-130	Motor vehicles	15-50	Soft drinks	10-15	Alcoholic drinks	60-130	Tobacco	100-250	Books, basic food, construction material, pharmaceuticals	0
<i>Products</i>	<i>Rates</i> (percent)																
Petroleum goods	15-130																
Motor vehicles	15-50																
Soft drinks	10-15																
Alcoholic drinks	60-130																
Tobacco	100-250																
Books, basic food, construction material, pharmaceuticals	0																

Tax	Nature of Tax	Exemptions or Deductions	Rates
4. Taxes on international trade and transactions			
4.1 Transaction tax (<i>Contribuição industrial variável</i>) (Legislative Act 2 of January 20, 1925; Legislative Act 551 of July 30, 1949; Decree-Law 47/91 of October 17, 1991; Decree-Law 6/95 of May 26, 1995; Decree-Law 40/96) of October 29, 1996.	Charged to entities and individuals covered by Schedule A annexed to the decree.	Goods exempted from import duties.	Single rate of 8 percent.
4.2 Import duty (<i>Direitos de importação</i>) (Legislative Act 739 of December 5, 1966; Legislative Act 745 of December 24, 1966; Decision 10/85 of April 22, 1985; Decree-Law 6/95 of May 26, 1995; Decree-Law 53/95 of November 17, 1995).	<p>Levied on the customs value of imports determined on the assumption that</p> <ul style="list-style-type: none"> • the goods are delivered to the buyer at the port of entry; • the seller's price is the c.i.f. price, that is, it includes all costs related to the sale of the good and its delivery at the port of entry; 	<p>Goods imported by official agencies as specified in Decree 41024 of March 23, 1957 are exempt. Examples are as follows:</p> <ul style="list-style-type: none"> • aircraft and aircraft engines for use in civil aviation; • equipment, machinery, and accessories for use in any public service; 	<p>A mix of ad valorem and specific rates, depending on the nature of the product. Examples are as follows:</p> <ul style="list-style-type: none"> • wheat, rice, and flour (exempt); • meat (8.85 percent); • live animals (7.35 percent); • butter (10 percent); • milk (exempt); • oil (3 percent);

Tax	Nature of Tax	Exemptions or Deductions	Rates
•	the buyer pays the applicable duty and any other taxes that are excluded from the base price; if the goods being valued are manufactured under a patented process of registered design or mark, or bear a foreign trademark or brand name, or are imported to be sold under the same trademark even after additional finishing, the base price includes the royalty for use of the patent, registered design, trademark, or brand name; and specific duties levied on the weight of goods are calculated on the basis of their gross, net, or actual weight, as stated in the tariff and its instructions.	<ul style="list-style-type: none"> • fixed plant and rolling stock for railroads, hoists, and floating docks and cranes imported by the port and railroad agencies; • electrical equipment for postal, telegraph, and telephone stations; construction materials and electrical equipment, and machinery and apparatus imported by the government for use in water and electricity distribution system or sewer systems or by public works agencies for carrying out work on such systems or any other work required for the country's development and the equipping of ports; and • fertilizers and seeds imported by agricultural agencies. 	<ul style="list-style-type: none"> • salt and sugar (1 percent); • fresh fruits (1 percent); • coffee (10 percent); • tea (5 percent); • wine (6 percent); • other alcoholic beverages (35-50 percent); • tobacco (Db 564.22 per kilogram); • pharmaceuticals (exempt); • most mineral and chemical products (5-6 percent); • gasoline (86 percent); • diesel (34 percent), and kerosene (14 percent); • perfumes (45 percent); • most textile products (5-30 percent); • most metals (8-50 percent); • electric equipment (3-20 percent); • cars and buses (10-12 percent); • tractors (2 percent); • motorcycles and trucks (5-10 percent).

Enterprises engaged in the production of items included in the preceding list are exempt from duty as well. Also exempt are products for use by new industries of strategic economic interest.

The government may exempt goods under temporary import or reimport arrangements. Many exemptions are negotiated bilaterally in the context of the investment code. Imports of immigrants may also be exempted.

Tax	Nature of Tax	Exemptions or Deductions	Rates
4.3	Customs duty (<i>Emolumentos gerais aduaneiros</i>) (Decree 31 883 of April 18, 1942; Decree-Law 7/72 of June 22, 1972; Decree-Law 6/95 of May 26, 1995).	The government may exempt certain imports, such as capital goods and certain basic foodstuffs.	Flat tax of 3.5 percent.
4.4	Export tax (<i>Imposto geral de exportação</i>) (Decree-Law 17/93 of March 5, 1993; Decree-Law 6/95 of May 26, 1995).	Exports whose customs value does not exceed Db 20,000.	Ad valorem rates: <ul style="list-style-type: none"> • cocoa, 10 percent; • coffee, 8 percent; • copra, 9 percent; • Palm kernels, 8 percent; and • other, 15 percent.
4.5	Lighthouse tax (<i>Imposto de farolagem</i>) (Legislative Act 25 of December 24, 1933).	None.	Rates range from Db 150 to Db 650 per ship, depending on nationality of ship and time of day.
4.6	Harbor tax (<i>Taxas de porto</i>) (Decree-Law 22/89 of December 19, 1989).	<p>Scientific missions, domestic ships, and fishing boats pay only 50 percent of the tax.</p> <p>The following equipment is exempted:</p> <ul style="list-style-type: none"> • government and military boats; • merchandise in transit; • merchandise shipped between domestic harbors; • passengers' luggage; and • mail. <p>Exemptions are also granted by ENAPORT on a case-by-case basis.</p>	<p>Mostly specific tariffs, which vary with the weight, volume, and quantity of merchandise, the type of service, and time of utilization of service.</p> <p>For materials procured by the port authorities, a tax of 1 percent of the c.i.f. value, and an additional tax of 30 percent.</p>

Tax	Nature of Tax	Exemptions or Deductions	Rates
5. Other taxes			
5.1	Inheritance and gift tax (<i>Imposto sobre as sucessões e doações</i>) (Decree 22 of June 22, 1988; Decree-Law 42/93 of August 10, 1993).	Levied on all conveyance of movable property, real estate property, value, or title. Chargeable to the recipient.	Transfers of less than Db 5,000. Also exempt is the gratuitous conveyance of movable or real estate property to descendants or to nonprofit organizations.
5.2	Real estate transfer tax (<i>Sisa sobre a transmissão de imobiliários por título oneroso</i>) (Decree 22 of June 22, 1988; Decree-Law 42/93 of August 10, 1993).	<p>Levied on all onerous conveyances of real estate and chargeable to the purchaser.</p> <p>Taxable transactions include specifically</p> <ul style="list-style-type: none"> • sales or bartering of real property, subject to prior authorization of the Planning Minister under Article 1 of Decree-Law 48/75 of June 19, 1975; • acquisitions of shares in companies other than business corporations that own real property, if through such acquisition one partner becomes the holder of at least 75 percent of the company's capital or the number of partners is reduced to two and the two are husband and wife married with community property; and 	<p>The tax base is determined by the value of the conveyed goods or property, after deduction of the transferor's debts and other costs set forth in the regulations.</p> <p>The state.</p> <p>Nonprofit organizations.</p> <p>Recipients of real estate who are descendants, ascendants, husbands, wives, brothers or sisters, for property valued at less than Db 30,000.</p>
			<p><i>Property</i></p> <p>Rural property 10 percent Urban property 10 percent Barter deeds 5 percent</p>

Tax	Nature of Tax	Exemptions or Deductions	Rates
5.3	<p>Stamp tax (<i>Imposto de selo</i>) (Decree-Law 12/76 of April 19, 1976 and annexed schedule; Decree-Law 40/88 of December 20, 1988; Decree-Law 15/93 of March 5, 1993; Decree-Law 81/93 of December 31, 1993; Decree-Law 12/96 of April 19, 1996).</p>	<p>Levied through</p> <ul style="list-style-type: none"> • revenue stamps (<i>selos fiscais</i>); • stamped forms (<i>papel selado</i>); • stamped bills (<i>letras seladas</i>); • revenue stamps (<i>selos de verba</i>); • collection advice stamps; • customs stamps; • check stamps; • Pharmaceutical stamps; and • Miscellaneous stamps. <p>The state.</p> <p>Religious institutions.</p> <p>Some items in the schedule annexed to the regulations.</p>	<p>Examples:</p> <ul style="list-style-type: none"> • stamped forms, Db 50; • revenue stamps, Db 1 to Db 1,500; • stamped bills, Db 1 to Db 500; and • check stamps, Db 3 for local payment and Db 15 for payment abroad.
5.4	<p>Special tax (<i>Imposto especial</i>) (Decree-Law 22793 of June 30, 1933).</p>	<p>None.</p>	<p>Single rate of 20 percent.</p>

Tax	Nature of Tax	Exemptions or Deductions	Rates
5.5 Stamp tax (<i>Imposto do selo de assistência</i>) (Decree-Law 44/T/75 of June 6, 1975; Decree-Law 11/86 of March 31, 1986).	Tax on customs clearance and receipts, licenses, and certificates.	Same as stamp tax.	For customs clearance and receipts, specific tax for low values, from Db 2 to Db 10; and ad valorem rate of 0.15 percent for values above Db 10,000. Specific tax of Db 15 for licenses and Db 10 for certificates.
5.6 Military tax (Decree 17 695 of December 21, 1929; Decree 29 115 of November 12, 1938; Decree 32 745 of April 10, 1943; Decree-Law 86/93 of December 31, 1993).	Due by all nationals who are not doing military service.	Disabled nationals. Students, until the end of their studies. Anyone who is currently part of military or paramilitary services, or who served in the army for at least five years.	Db 750 or Db 1,000 depending, on income levels.
5.7 Justice tax (Decree-Law 18/87 of August 31, 1987).	Due on the value of settlement for fiscal cases.		Flat rate of 10 percent.

Source: São Tomé and Príncipe authorities.

Exchange and Payments System

(Position as of December 31, 1997)

Exchange arrangement

1. The currency of São Tomé and Príncipe is the São Tomé and Príncipe dobra. The official exchange rate is determined daily as an average of exchange rates in the *bureau de change*, parallel market, and commercial banks.¹ On December 31, 1997, the exchange rate (middle rate) for the U.S. dollar, the intervention currency, was Db 6,969.73 per US\$1. Rates for certain other currencies are determined on the basis of the exchange rates of the U.S. dollar for the currencies concerned.
2. Foreign exchange transactions are divided into three categories for the purpose of assessing charges on purchases and sales of foreign exchange: import payments, transactions in foreign checks, and collection of export proceeds.
3. On import-related exchange transactions, the arrangements are as follows: when a letter of credit is opened, a quarterly charge of 0.5 percent of the import value, with a minimum of US\$25 and a maximum of US\$500, is payable with an additional commission of 0.5 percent to the Central Bank of São Tomé and Príncipe (BCSTP). A stamp duty of 0.25 percent is also payable, as well as a postage levy of US\$2.
4. On foreign checks for collection, the commercial banks charge a postage levy of US\$2 for each transaction. For collection of export proceeds, a commission of 0.125 percent is charged— with a minimum of US\$25 and a maximum of US\$300—when the letter of credit is opened, and a fee of 0.125 percent is charged when the funds are received. A postage levy of Db 39,000 is also charged.
5. There are no arrangements for forward cover against exchange rate risk operating in the official or the commercial banking sector.

¹The weights are based on the recorded dollar value of the previous day's transactions in the commercial and *bureaux de change* markets, and an estimate of the dollar value of transactions in the parallel market. According to the central bank data, the vast majority of foreign exchange transactions are effected through the commercial bank, while the market share of the *bureaux de change* is virtually nil.

Administration of control

6. All foreign exchange transactions are controlled by the BCSTP, which applies the exchange controls flexibly. All foreign exchange proceeds must be surrendered to the BCSTP, and all exchange payments must be made through the BCSTP, with the exception of earnings retained by producers exporters for import payments. (See the section on exports and export proceeds below.)

7. Import and export licenses are automatically granted and recorded by the Directorate of External Commerce for statistical purposes.

8. Arrears are maintained with respect to external payments.

Prescription of currency

9. The BCSTP may prescribe the currency in which foreign exchange transactions are made.

10. The bilateral payment agreement with Cape Verde was terminated, and the corresponding debt to Cape Verde, which amounted to US\$1.65 million, was rescheduled on July 21, 1995 through an agreement between the Central Bank of Cape Verde and the BCSTP. The debt is being reimbursed in equal quarterly installments. A bilateral payment arrangement with the Central Bank of Angola is partially operative.

Imports and import payments

11. All registered importers (including productive entities) are permitted to engage in import activity. Fuels and lubricants are imported by the public fuel enterprise, and medicines by the public pharmaceutical enterprise and the private pharmaceutical sector. Import licenses are automatically granted by the Directorate of External Commerce. When importers open letters of credit, the commercial bank (BISTP) requires them to lodge a deposit² in domestic currency equivalent to 0 percent to 100 percent of the value of the letters of credit, depending on the creditworthiness of the operator. Prepayment for imports is permitted only through the opening of letters of credit or through anticipated transfers agreed upon by the BCSTP. The BCSTP still allocates foreign exchange, which is sold at the official rate, through the Chamber of Commerce.

²Currently, the BISTP does not remunerate these deposits, but it also chooses not to remunerate any other type of deposits.

Payments for invisibles

12. Payments for invisibles related to authorized imports are not restricted. Payments for other invisibles are approved within limits established by the BCSTP. These limits, which allow for additional amounts in justifiable cases, include those on (1) transfers for medical treatment abroad when local facilities are inadequate; (2) transfers of remittances to students; (3) transfers of savings from earnings under technical cooperation agreements with the government; and (4) transfers for payment of fares, freight, and costs of communication with foreign countries. Purchases of foreign exchange by residents for purposes of tourism are limited, although airfares may be paid in domestic currency. Transfers of profits by foreign companies established in São Tomé and Príncipe before independence have been suspended. There are no limitations on remittances for subscriptions to periodicals and books or on payments of interest on external debt.

13. Foreign exchange allowances for medical purposes are flexible. Payments for technical assistance and other services in the national interest are allowed. At the beginning of the school year, a student is granted permission to transfer for expenses related to courses taken abroad an amount that has been approved by the Ministry of Education and Culture.

14. All payments related to invisibles are subject to a stamp tax of 0.5 percent. In addition, commercial banks charge a commission of US\$2 for clients (and US\$4 for nonclients).

Exports and export proceeds

15. For the purpose of collecting information, all exports require the completion of registration forms, as set out in Advance Export Registration Bulletins, which specify the quantity and c.i.f. or f.o.b. value of the export shipment. All export proceeds are subject to the mandatory surrender requirement to the BCSTP. Producers of exported goods may retain 30 percent of export proceeds in accounts with banks, including those abroad (if they are correspondent banks of the BCSTP), and they may use the balances to meet their import requirements.³

Proceeds from invisibles

16. Travelers may bring in any amount of foreign exchange.

³The mandatory export surrender requirement was officially reduced to 50 percent on May 1, 1996 for exporters able to demonstrate a need for additional foreign exchange to finance imported inputs, but it remained de facto at 70 percent.

Capital

17. Inward foreign investments are governed by the investment code, which was implemented on October 15, 1992. Foreign capital investments, excluding the extraction of hydrocarbons and other mining industries, are permitted on the same basis as domestic investment. Repatriation of profits is permitted for up to 15 percent of the value of the investment a year. Transfers are permitted for repayment of financing under agreements with the government and for the amortization of private sector investments in activities considered to be in the national interest. Nonresidents holding foreign currency accounts can freely transfer funds abroad. Personnel under technical assistance programs are allowed to transfer their savings in accordance with the terms of their contracts.

Gold

18. Exports and imports of gold require special authorization from the BCSTP.

