The Impact of Adjustment Policy in Madagascar[1]

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The Economy before 1980

The economy of Madagascar has not seen any progress in productivity or output per capita over the long term. The slow growth and investment rates below 15 per cent have led to stagnating and later declining income per capita levels over the last 25 years. This is an almost uniquely poor long term record for the larger economies of sub-Saharan Africa (SSA). At independence in 1960, Madagascar could be characterised as a typical colonial economy, with reasonable natural resource endowments, in which exotic products (coffee, vanilla) played a dominant role in exports while control of the main plantations, industries and the modern tertiary sector lay in the hands of foreigners. In 1970, the 40,000 Europeans living and working in Madagascar still accounted for 40 per cent of the national market. During the 1960s the rate of economic growth was about the same as the growth rate of the population, with progress being made between 1966 and 1971.

Largely dependent on the former metropolis, and affected by the unstable international environment, the island was the theatre of far-reaching internal changes in 1972-75 after the overthrow of the pro-Paris independence government which had presided over a decade of private enterprise-led free market stagnation. These included a policy of neutrality towards and greater independence from the metropolis; departure from the 'Zone Franc'; nationalisation of major sectors of the production system; socialist-style management of the economy via a system of direct controls. Faced with decreasing levels of internal investment as well as reduced external official flows, the local authorities in 1978-79 adopted a policy of massive foreign borrowing on less than concessional terms. This led to an explosive rise in debt service levels to $2,000 mn. None of the projects undertaken was actually integrated into the national economic environment and thus actual productivity was very low. The distortions inherent in a non-market economy, the inefficiency of state-owned enterprises, and the relative importance of non-productive sectors in the national economy were at the root of the country's cumulative financial imbalances and the decline of its internal surpluses. Financially bankrupt, Madagascar was forced again to change course.

Malagasy/IMF Negotiations: The Stand-By Accords

Since 1980 six stand-by accords have been concluded with the IMF. These were accompanied by the usual IMF policy measures and conditionalities as pre-requisites for debt rescheduling and renewed access to external concessional financing. Madagascar also concluded structural adjustment loans with the Caisse Centrale de Coopération Economique (CCCE) of France and with the World Bank.

The main classic economic policy measures included: restrictions on import levels and a more liberal allocation process of foreign currency; a series of devaluations; increased interest rates; reduction of the budget deficit; an increase in producer prices and the removal of consumer food subsidies; a return to cost pricing with regard to public enterprises.

In August 1986, the Malagasy Franc was devalued by 25 per cent. A free market system of currencies was not installed; rather, a procedure of proportional allocation was preferred. In early 1987 the Malagasy franc was devalued by 60 per cent (1 franc = 220 FMG).

Liberalisation of the Economy

Negotiations between Madagascar and the IMF were marked by lively debate and opposing views. The result can best be characterised as a policy of gradual implementation through annual agreements, or as escalating conditionality. The IMF gradually imposed a return to a more liberal style of economic management from what was a closely regulated economy. Cost pricing was accompanied by the liberalisation of the commercial system and by a return to financial balance with respect to the management of production.

Rice prices are now liberalised. With the exception of imported supplies, commercialisation of rice was liberalised both at the production and consumption levels. Public services, which were formerly closely

[1] This paper is a summary of a study on the problems and consequences of adjustment policy in Madagascar, published in *Déséquilibres structurels et programmes d'ajustement à Madagascar*, Ministère de la Coopération, Paris, 1986, (G. Durufle, J. de Bandt, B. Boussemart, J. Coussy, P. Hugon, J. L. Martin, J. C. Rabier). This paper was translated with the aid of Rachel Meghir.

supervised, have now become administratively and financially autonomous bodies.

These measures are aimed at gradually reducing administrative control, introducing more transparent and market orientated methods of allocating foreign currency, and providing the basis for greater flexibility in administrative procedures concerning the foreign exchange market. By raising the price of foreign currency, supply of and demand for foreign exchange are to be brought closer together; the gap between prices for imported and locally-produced rice reduced; and real producer prices, in local currency, increased.

However, liberalisation measures are not fully generalised: the IMF placed restrictions on rice imports (less than 100,000 tons), and administered export prices; banks were nationalised; many other kinds of restrictions were imposed with or continued after the application of these measures.

Structural Measures Adopted

The present economic policy seeks to move in several new directions by:

— giving greater importance to small and medium enterprises and greater emphasis to the rehabilitation of existing productive capacity, as opposed to new investments;

— seeking to attract private capital from abroad and, since 1984, by rendering the regulations for 'EPI accounts' (exporter retentions) more flexible, thereby favouring exports.

Relevance of the Prescribed Measures

The validity of experimental methods is limited in the social sciences, not least in respect of national stabilisation and/or structural adjustment programmes. The evolution of the Malagasy economy was strongly influenced by several international and domestic factors, including adjustment policy measures, though the relative importance of each is difficult to quantify. External aid, linked to these measures, is one means of compensating for their recessionary effects. Furthermore, the impact of these measures is felt at different times, and statistical data are insufficient for empirical verification of the results. Hence, evaluation of the real impact of adjustment policy measures is a complex and imprecise matter. The measures do seem to have contributed to a reduction of certain deficits, though this was achieved at the cost of an aggravation of external debt levels and a marked economic recession (cf Table 1).

— The external deficit fell from 16.1 per cent in 1980 to 4.2 per cent of GDP in 1985. The budget deficit fell from 18.2 per cent of GDP in 1980 to 4.7 per cent in 1985.

— In 1980, the trade balance was unfavourable, with a deficit of SDR 252 mn; whereas in 1985, the out-turn was closer to the equilibrium level. The trade deficit fell from 10 per cent of GDP in 1980 to 2.5 per cent in 1985, and the current account deficit fell from 18.3 to 9.8 per cent.

— The country's capacity to finance its debt service (before use of drawing rights on the IMF and debt rescheduling) increasing from SDR −108 mn in 1982 to SDR +112 mn in 1985.

But these restrictions were induced through sharp cuts in imports, investment or public expenditures. The balance of payments is financed by official aid flows. The structural adjustment loans of the CCCE or World Bank help to finance up to one half of imports and thus to allow a wider trade gap than would otherwise be possible.

But, these improvements all represent stabilisation, not structural adjustment of a kind adequate to lay the foundations for sustained growth after a quarter of a century of stagnation or decline. Nothing in output, external trade, price or fiscal data suggests that the improvements represent more than response to massive austerity and modest increases in concessional financial flows.

Furthermore, these improvements coincided with a worsening balance of payments deficit which resulted from the following cycle: an imbalanced external account/contracting of foreign debt/rescheduling/increased debt service.

The level of outstanding debt, at SDR 474 mn as of 31 December, 1979, rose to more than SDR 2,000 mn by the end of 1985. Debt service (before rescheduling) more than quadrupled between 1981 and 1985. The ratio of debt service to export revenues rose from 52 per cent to 89 per cent before rescheduling, and from 36 per cent to 47 per cent after rescheduling.

Average Annual Economic Growth (1980/85)

GDP	−0.9%
GDP/capita	−3.6%
Exports	−0.3%
Imports	−16.5%
— Food	−6.6%
— capital goods	−23.7%
— intermediate goods	−5.6%

The Import/Demand Scissors Effect

The Malagasy economy, after sustaining the effects of a lack of inputs, is now subjected to the effects of a decline in effective demand. Stimulation of activity on the supply side has been limited. The sharp fall of investment is the result both of generalised limited access to external finance, and of special restrictions that were imposed on the importing of capital goods and raw materials for the construction industry.

Foreign aid for imports helped to alleviate the shortage in capital goods and facilitated a resumption of productive activity. Resumption of imports of luxury goods by Indian traders provided stocks and supplies for the stores in the cities. Activity in the black market was reduced, or, more accurately, with import and price liberalisation was laundered and reappeared as open, lawful trade — perhaps with little changes in real prices or volume of turnover.

Obviously, these indicators do not allow one to evaluate the impact of a policy of economic liberalisation, i.e. the resulting reorganisation and reallocation of factors of production. These effects are felt over the longer term. However, to date neither results nor trends allow any great optimism on this account.

Certain measures aimed at finding a better financial balance do seem to have had favourable effects:

— restrictive money supply and credit policies curbed the wastage that normally occurs in a negative real interest rate overdraft economy;

— movement toward consistency of pricing in a regulated economic system was achieved, which is indispensable if resource allocation is to be improved;

— some rechannelling of resources towards the agricultural sector and rehabilitation of existing infrastructure were carried out, in an attempt to meet two prerequisities to supply growth;

— the rise in interest rates has limited the expansion of credit, probably holding back excessive investment by certain enterprises and allowing for a less unbalanced price structure;

— the reduction of the public financial deficit reduced the risk of triggering crises. The increased capacity of government revenues to cover public expenditures, and their reduction were seen to be prerequisites for a healthier administration of the economy after the increase in public expenditure to GDP ratios from 15.2 per cent in 1961 to 17.3 per cent in 1971 to a peak of 31.9 per cent in 1980 before the cutback to 20.9 per cent by 1985.

By contrast, other standard measures would seem either to have been unworkable or to have led to perverse results:

— a policy whereby real wages were lowered was undertaken in a context of increasing pauperisation and internal market contraction. While wages did not represent an important cost factor for enterprises, they did account for a significant proportion of demand. Such a policy had a 'disincentive' effect on workers in the public sector who worked less hard or with an eye to side income opportunities, and led to a crisis in those sectors where there was insufficient demand. It also had a 'multiplier effect' which led to a decline for many informal activities dependent on formal sector incomes and enterprises;

— devaluations of the Malagasy franc do not seem to have re-established the competitivity of the export sector. Instead, they have created a monetary illusion by increasing government revenues in local currency terms and by allowing for modifications in the internal price structure. The criterion used in picking new foreign currency prices was the differential in the local and import price of rice, although rice represents less than 10 per cent of imports;

— in a low-income economy which specialises in primary products, there is an inelasticity of the short-term supply of primary exports destined for international markets. Taking into account the elasticity of supply of exports and the rigid structure of imports, devaluation has had and could have had little positive effect on the trade balance. Devaluation would seem to have an inflationary effect, by raising production costs (three quarters of imports are intermediate goods) and by fuelling inflationary expectations. The main impact is the increase of public resources by the FNUP. In the short run, the impact of devaluation was one of deterioration rather than of improvement of the trade balance. By contrast, devaluation did contribute to a reallocation of internal resources, whereby those economic factors in the services sector (including the state) were able to capture a greater share of national income, the inverse of the intended shift to 'tradeables'.

Deflationary Measures and Recessionary Effects

The financial rigour exerted recessionary effects on supply by eroding both government revenue and imports, thus risking an increase in financial imbalances. The steep rise of input prices, the decline in public capital expenditures and the disruption of government services because of budgetary restrictions are additional factors which had recessionary effects on production and inflationary ones on prices.

The regaining of financial balance in certain areas was achieved through a downward adjustment of the economy and was accompanied by a number of perverse effects:

— in real terms the budget deficit remained steady because of the combined effects of rising debt service and import restrictions which reduced revenues;

— successive devaluations translated into a transfer of value abroad by way of adverse price shifts;

— the cycle of debt rescheduling increased the real burden (present value) of debt as well as of medium term debt service, so that both were much higher in 1987 than in 1980.

— growth of agricultural production is slow with agricultural exports stagnating. The rapid rate of 'de-industrialisation' is due to a lack of imported inputs combined with a sharp fall in demand, and will now be hard to reverse as inadequate maintenance replacement has rendered much of nominal capacity operationally unserviceable.

The Perverse Effects of Changes in Relative Prices

The timetable for the measures to be taken, and the consistency of these measures, are central issues. A system of administered prices is likely to lead to irrational or inconsistent pricing, but liberalisation in the context of a non-competitive market can lead to other types of distortions and imbalances. In this way, a rise in the price of rice, prior to that of coffee, results in the substitution of paddy (rice) growing for that of coffee. Quantitative restrictions on rice imports, as insisted on by the IMF, are inconsistent with the objective of stabilisation of prices and further push effort at the margin from coffee to rice. With the exception of cotton and sugar cane, the production of export crops has not recovered since 1982. The rise in cotton prices had a positive effect on production. But this led: first, to a sharp fall in peanut production which, in turn, affected the oil processing plants; and then second, to cotton overproduction because of the crisis in the textile industry (non-competitive production costs compared to those of liberalised imports and also declining demand).

In practice, the price of rice to consumers rose sharply, reaching FMG 800 per kilo in January 1987 in the capital, Antanararivo, while at the same time, international prices for ordinary rice were less than FMG 100. In recent months a good harvest due to favourable climatic conditions and the setting up of a buffer stock seem to have ameliorated increases. The absence of internal transport links between the different regions of the country led to a great regional disparity of prices and even contributed to famine in certain parts of the island. Thousands of deaths in the south certainly flowed from lack of food, though the relative impact of physical absence of food and of inadequate entitlements is less clear.

The liberalisation of prices and commercial channels led to a sharp rise in consumer prices and to a considerable increase in distributive profit margins. In the short run, it seems to have created a climate of uncertainty and instability. Such a policy may, through the interplay of market forces, bring to an end the economic rent situation enjoyed by some leading citizens and by middlemen, and boost supply, so as to reduce tensions in the price structure. But the risk of perverse effects cannot be ignored, given the strategic positions held by certain economic factors all along the rice channel, and given perverse behaviour within the production system as a whole. Such perverse effects seem, in fact, to have predominated in so far as margins and consumer prices are concerned.

The long term consequences of the increase in rice prices were a decline of real income per capita for rice buyers and a rising share of food expenditures in their household budgets. The macroeconomic consequence was a decline in demand for other goods and services.

Often, because of the local socio-political structures and the blurred lines of distinction between economic factors, technical and politico-administrative institutions, liberalisation of prices and commercial channels is conducive to speculative behaviour. This appears to have been the case in Malagasy over most of the recent period.

The economic history of Madagascar shows that, in some respects, food production plays a similar role to that played by cereal production in the French pre-Revolutionary Regime. Among the discernible similarities are: inelasticity of production; vulnerability to climatic variations; poor transport and trade facilities. In an economy where instability and scarcity of goods are not uncommon, middlemen are in a position to aggravate shortages and profit from the lifting of restrictions by their speculative behaviour. This is especially true if rightly or wrongly, it is suspected that policy will remain unstable and subject to sharp unpredictable imports.

A shift of cash incomes and of effective demand from urban to rural areas through generalised real price increases would step up pressure on imports, and prices given the structure of incremental rural demand, which is dominated by manufactures, and the rigid structure of the productive system, hampered in turn both by constraints on imports of industrial intermediate goods and the run-down state of many plants.

If certain 'counter-measures' are not adopted in parallel with a policy of liberalisation — which is currently based only on such financial criteria as solvency and efficiency measured by unit cost at present output levels — then the economic sector of circulation of goods and services and the economic activity of middlemen will become particularly attractive, at the expense of other value-creating production activities. The tertiary sector plus the government wage bill share in GDP (PIB) fell from 46.8 per cent in 1970 to 45.1 per cent in 1975 but by 1980 had reached 48.1 per cent and in 1984 52.7 per cent. Similarly, the domestic terms of trade of this 'non-tradeables' sector appear to have improved, e.g. though distributive margin increases following liberalisation, despite generally depressed economic conditions.

The Social Costs of Stabilisation without Growth

The social costs of the adjustment policy pursued have been high. Even formerly 'protected' social groups —including school-goers, the military, civil servants and urban consumers linked with the quasi cooperative 'Fokontany channels' — were affected. Adjustment policy measures also led to the exclusion from the market of the poorer urban and especially rural social groups. As a result, malnutrition increased sharply, and in the southern part of the country one could even speak of famine. With rice at FMG 800 per kilo, the cost of minimum food intake was greater than the legal minimum wage; nor did substitute staple food products have a better price/calorie ratio. Social, unrest and the contracting domestic market discouraged the foreign investors that a liberalisation policy was supposed to attract, as well as directly reducing or limiting any production recovery.

The social groups who contract the debt are not the same ones who must reimburse it. The cost of adjustment affects mainly the younger generation. The leadership which incurs the debt (for whatever reasons) is neither the majority of those who bear the cost of its failure to deliver added output, nor are they the ones most affected by stabilisation through contraction.

The black market has been laundered 'whiter' today, but many people are still excluded from the official market by lack of purchasing power. There has been a considerable decline of employment in the formal sector as well as in the informal sector, which has significant two-way linkages with the formal sector. A UNICEF/MPJS survey showed a rise in the infant mortality rate and an important decline of the nutritional level in rural and urban areas. Social structures were disturbed, accelerating rural exodus. The study distinguishes two kinds of survival strategies: regression, which can involve resorting to such activities as prostitution, and is therefore formally prohibited; and adaptation, via the informal sector, debt contracting, taking on a variety of jobs. In the present Malagasy context of stabilisation with decline, bare survival is the most either can offer to most households.

Conclusion

Looking back over the long run to place recent needs in perspective, the crisis in Madagascar did not begin in the debt years of 1978-79, nor was it mainly due to the disregard for market forces or to the rigidity inherent in a non-market economy. Rather, it can be explained by a low investment rate and a stagnating productivity rate which have persisted since independence in what was, even in the 1950s, not a particularly dynamic economy.

The malfunctions of the financial system, the discriminatory pricing system, the crowding out effect of the public sector in general, and of state-owned enterprises in particular, and the shortsightedness of running an overdraft, are all factors which contributed to wastage of resources and other biases within the productive system in the 1970s. It seems, however, that these biases are less an explanation and more a result of the paralysis of the production system, on the one hand, and of the will of the authorities to change the latter's structure on the other. Indeed, they came into being after, and in reaction to, a decade of economic failure to produce a relatively liberal, settler and expatriate dominated economy.

There are many factors which explain the bottlenecks and the stagnation of long-term growth: the specialisation in exotic products with poor price and low volume growth records, severe transport barriers imposed by geography, the way the society is run, the imbalance between investment in education and productive investment, the scale of speculation in basic necessities, the low proportion of output in the directly productive sectors. For example, the difference between the share of the service sectors and the agricultural/industrial sectors is wider in Madagascar than in any other African country.

It is not at all clear that either austerity or austerity and liberalisation really address these root causes. We can transpose the concept of absorptive capacity for capital to absorptive capacity for liberalisation measures. In an economic situation as critical as that of Madagascar, liberalisation may not necessarily be the best road to follow, especially initially. An effort at restructuring the economy should take precedence. Liberalisation may seem to be a necessary condition, but it is far from being a sufficient one if a trend pattern of economic growth equal to or above that of population is to be achieved. Only structural measures and an improved international economic environment can lead to sustained economic growth. Whatever their intent, the Caisse Fund and Bank funds and policy prescriptions have not led to either.

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Table 1

Main Economic Indicators
(FMG bn, constant prices — 1970)

	1970	*1975*	*1980*	*1985*
GDP in current prices FMG (Francs Malagasy)	249.4	395.2	689.8	1,558.0
in constant prices FMG	249.4	257.4	275.3	260.4
Rate of investment (%)	14.6	12.2	22.8	14.4
Rate of savings (%)	14.5	8.5	6.7	8.3
Deficit/GDP (%)	0.1	3.7	16.1	4.2
Export propensity				
Exports FOB/GDP (%)	16.1	15.9	13.3	12.2
Exports goods and services/GDP (%)	22.8	18.9	16.0	13.9
Imports propensity				
Imports FOB/GDF (%)	18.9	19.7	28.4	16.5
Imports CIF (%)	23.9	23.1	32.9	(21)e
Trade deficit/GDP (%)	0.02	0.6	10.0	2.5
Current account deficit/GDP (%)	2.1	6.8	18.3	11.0
Public expenditure/GDP (%)	16.8	15.5	31.9	20.9
Public deficit/GDP (%)	1.0	2.7	18.4	5.0
Liquidity ratio (m_2/national income)	20	22	30	22
Debt services/exports ratio				
Prior to rescheduling (%)	4.4	3.3	17.2	89
After rescheduling (%)	4.4	3.3	11.2	47
General price index	100	153.3	240.9	551.3
Net terms of trade	100	70.3	54.1	55.0
GDP/Population (constant FMG — 1970)	36,700	33,900	31,600	26,100
Per capita consumption (FMG, 1980 prices)	24,600	22,000	19,800	17,000

Source: J. M. Martin in 'Ministère de la Coopération' 1986.

Table 2

The Balance of Payments in SDR and FMG
(SDR 000,000; FMG 000,000,000)

	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987 Projection*
Exports (1) FOB SDR	335.8	281.2	296.4	289.7	325.2	279.9	299.6	313.4
(2) FMG	92.3	90.1	114.1	133.2	192.1	188.3	248.2	
Imports (1) FOB SDR	-587.3	-433.2	-409.0	-353.8	-343.5	-330.7	-329.6	-316.3
(2) FMG	161.5	138.8	157.3	162.7	202.9	256.0	257.6	
Trade balance SDR	-252.0	-151.7	-112.6	-64.1	-18.3	-56.8	-29.4	-2.9
FMG	-69.3	-48.7	-43.3	-29.4	-11.1	-38.2	-9.8	
Net services SDR	-211.3	-211.9	-223.0	-223.0	-222.9	-212.3	-225.7	-234.9
FMG	-48.4	-72.1	-85.8	-102.5	-131.6	-142.8	-184.9	
Current balance SDR	-460.4	-360.2	-336.9	-288.2	-237.8	-254.1	-240.1	-212.8
FMG	-126.6	-115.4	-129.7	-132.5	-140.5	-170.9	-181.5	
Basic balance SDR	-176.2	-82.2	-107.7	-89.2	+15.7	-7.8	-89.6	-133.5
FMG	-36.3	-43.6	-73.4	-126.7	-88.3	-110.0	-50.3	
Exchange rate US$	211.3	272.7	349.7	430.5	576.6	662.5	759.0	
(FMG per unit) SDR	275.0	320.4	386.1	459.9	590.8	672.6	801.1	1039.0
FF	50.1	50.3	53.5	56.8		95.0	112.0	220.0
GDP SDR	2509.0	2463.0	2580.0	2655.0	2315.0	2316.4	2239.0	2195.0
FMG	689.9	838.4	994.0	1221.0	1367.0	1558.0	1855.0	
Trade deficit GDP (%)	10.0	6.1	4.3	2.4	0.8	2.5	0.5	
Current account deficit GDP (%)	-18.3	-14.6	-13.1	-10.9	-10.3	-11.0	-10.3	-9.7

Source: FMI (August 1986)

Table 3

External Debt Service
(millions $US)

	1980	*1981*	*1982*	*1983*	*1984*	*1985*
Service dette	90	208	279	312	300	316
interets	42	89	97	112	137	126
amortissement	43	110	181	196	130	149
Service dette après reechelon	90	145	186	113	131	165
Exportations de biens et services	518	398	382	358	394	354
Ratio avant reechelonnement (%)	17	52	73	87	76	89
Ratio après reechelonnement (%)	17	36	49	32	33	47

Source: World Bank (1986).

Table 4

Evolution of GDP (Total value added)
(FMG '000mn — constant prices — 1982)

	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986 forecasts*
Sources of revenue							
primary sector	412.0	394.0	410.0	420.0	444.0	451.3	459.8
secondary sector	226.0	175.0	150.0	152.0	146.0	151.8	152.7
services	426.0	408.0	405.0	405.0	405.0	412.0	421.0
taxes	59.0	37.0	30.0	28.0	27.0	27.4	29.2
Gross domestic product	1123.0	1014.0	996.0	1005.0	1022.0	1043.0	1063.0
(rate of growth)	(0.8)	(−9.7)	(−1.8)	(0.9)	(1.7)	(2.1)	(1.8)
net imports	136.0	81.0	85.0	64.0	45.0	43.6	43.9
Total resources	1259.0	1095.0	1081.0	1069.0	1067.1	1086.7	1102.9
(rate of growth)	(0.2)	(−13)	(−1.3)	(−1.1)	(−0.2)	(1.8)	(1.5)
Expenditure							
private consumption	868.0	778.0	799.0	787.0	790.0	601.2	811.0
public consumption	154.0	154.0	149.0	150.0	138.0	141.4	143.4
gross capital formation	237.0	163.0	133.0	132.0	139.0	144.3	148.5
(% GDP)	21.1	16.1	13.3	13.1	13.6	13.6	13.9
Total expenditure	1259.0	1095.0	1081.0	1069.0	1067.1	1080.7	1102.9
gross savings	101.0	82.0	48.0	68.0	94.0	100.6	107.6
(% GDP)	(9)	(8.1)	(4.8)	(6.8)	(9.2)	(9.6)	(10.1)
GDP Deflator (%)		26.5	28.5	21.5	10.2	11.2	17.0

Source: IMF (July, 1986).

Table 5

Evolution of Prices
(FMG current prices)

	1950	*1960*	*1970*	*1973*	*1975*	*1980*	*1982 (June)*	*1985*	*1986*
Paddy (wholesale price)	12.0	18.0	15.5	17.0	30.0	47.0	65.0	90.0	250.0
Rice (retail price)	24.0	28.0	34.0	38.0		65.0	140.0	540.0	700.0
Minimum hourly wage (non agric)	9.2	27.0	30.0	34.0	51.0	66.3	78.2	101.8	121.0
Coffee (wholesale price)	140.0	100.0	135.0	135.0	153.0	215.0	250.0	395.0	400.0
Price index:									
European	32.7	62.6	89.9	103.9	130.5	211.2	316.3	(543)	
Traditional					142.1	221.1	346.3	(572)	
(1972 = 100)									