

# East Timor

*Establishing the Foundations of  
Sound Macroeconomic  
Management*

Luis M. Valdivieso  
Toshihide Endo  
Luis V. Mendonça  
Shamsuddin Tareq  
Alejandro López-Mejía

International Monetary Fund  
2000

# Preface

This paper has benefited from the comments of a large number of IMF colleagues, in particular Shigemitsu Sugisaki, Yusuke Horiguchi, Anoop Singh, and Anthony Elson. It also reflects comments received from Sérgio Vieira de Mello, Andrew Whitley, and Fernanda Borges (all of the United Nations Transitional Administration in East Timor—UNTAET).

In preparing this report, IMF staff held extensive consultations with UNTAET; leaders and technical representatives of the National Council of the East Timorese Resistance (CNRT); the authorities of the East Timorese church; representatives of the main bilateral donors and NGOs; and representatives of the East Timorese private sector and civil society at large. The paper has also benefited from close cooperation with the Indonesian authorities. The staff has also held numerous meetings with various organizations involved in humanitarian relief operations (initially the UN Office for the Coordination of Humanitarian Affairs (OCHA) and subsequently the Humanitarian module of UNTAET, UN agencies, and various NGOs). IMF staff has coordinated closely with the staff of the World Bank and the Asian Development Bank.

Most of the information used in the background section and the key elements of the strategy were developed by the first IMF mission to East Timor, which consisted of Messrs. Valdivieso (head) and Wade (both Asia and Pacific Department), Messrs. Corformat and Prakash (both Fiscal Affairs Department), Messrs. Lee and Lonnberg (both Monetary and Exchange Affairs Department), and Mr. Morris (Regional Office for Asia & the Pacific). The strategy was further developed by two technical assistance missions from the Monetary and Exchange Affairs Department and the Fiscal Affairs Department in January–February 2000, while the assessment of implementation and monitoring of developments have been done through a combination of sequential Asia and Pacific Department missions, a full-fledged Asia and Pacific Department mission in June 2000, and two review missions by the Monetary and Exchange Affairs Department (May 2000) and the Fiscal Affairs Department (June 2000).

# Acronyms and Abbreviations

AsDB	Asian Development Bank
ASEAN	Association of South East Asian Nations
BI-D	Bank Indonesia Office in Dili
BULOG	National Food Logistics Agency
CAP	Consolidated Appeal Process
CEP	Community Empowerment Project
CFA	Central Fiscal Authority
CNRT	National Council of the Timorese Resistance
CPO	Central Payments Office
DCU	Donor Coordination Unit
EC	Executive Council
EK	Elang Kakatua project
ETA	East Timor Administration
FAD	IMF Fiscal Affairs Department
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
HAER	Humanitarian Assistance and Emergency Rehabilitation
JAM	Joint Assessment Mission
JICA	Japan International Cooperation Agency
LPG	Liquified Petroleum Gas
MAE	IMF Monetary and Exchange Affairs Department
NCC	National Consultative Council
NGO	nongovernmental organization
Rp	Indonesian Rupiah
SEP	Small Enterprise Project
SRSG	Special Representative of the Secretary General of the United Nations for East Timor
TFET	Trust Fund for East Timor
UNAMET	United Nations Mission to East Timor
UNDP	United Nations Development Programme
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNTAET	United Nations Transitional Administration in East Timor
USAID	U.S. Agency for International Development
WFP	World Food Programme

# East Timor: Basic Social Indicators

---

<b>Mortality Indicators</b>	
Infant mortality rate per 1,000 live births (1996)	149
Maternal mortality rate per 1,000 live births (1990)	8
Life expectancy (1996)	52
<b>Health Indicators</b>	
Percentage of malnourished children (1998) <sup>1</sup>	38
Percentage of children under five with full immunization coverage (1996)	49
Medical doctors per 100,000 people (1996/97)	15
<b>Education Indicators</b>	
Illiteracy, percentage (1996/97)	50
Percentage of adult population with secondary or higher education (1998)	19
<b>Other Indicators</b>	
Percentage of the population below the poverty line (1998)	50
Number of buses per 100,000 people (1998)	1.5
Percentage of households with access to electricity (1996)	25
Number of phone lines per 1,000 people (1996)	8
Percentage of households with access to running water (1996)	25

Sources: World Bank, *Joint Assessment Mission (JAM) Background Report*, available via the Internet: <http://wbln0018.worldbank.org/eap/eap.nsf>; M. Arneberg and J. Pedersen, *Social and Economic Conditions in East Timor* (Columbia University and Fafo Institute of Applied Social Science), 1999.

<sup>1</sup>Children in the age group one to six.

# Appendix Tables

TABLE A I  
East Timor: Key Economic Indicators

	1995	1996	1997	1998	Est. 1999	Proj. 2000	Proj. 2001
GDP (in billions of rupiah)	708	862	996	1,272	1,878	...	...
GDP (in millions of U.S. dollars) <sup>1</sup>	315	368	383	375	228	263	303
GDP per capita (in U.S. dollars) <sup>1</sup>	374	429	442	424	304	...	...
Population (in thousands)	843	857	868	884	750	...	...
Of which: Displaced persons (thousands)	...	...	...	...	120	...	...
	<i>(Percent change)</i>						
Real GDP growth	9	11	4	-2	-38	15	15
Inflation rate (CPI, Dili, based on rupiah prices)	8	5	10	80	140	20	...
Inflation rate (CPI, Dili, based on U.S. dollar prices)	...	...	...	...	...	...	3
	<i>(In percent of GDP)</i>						
Consumption	83.4	79.9	71.0	74.6	91.9	104.2	112.7
Nongovernment	59.6	57.8	60.7	59.9	82.4	93.4	98.0
Government (excluding transfers and subsidies)	23.8	22.1	10.2	14.8	9.5	10.8	14.7
Investment	40.8	44.3	52.9	47.0	28.1	33.4	46.7
Nongovernment	...	...	10.0	10.0	8.0	5.7	7.3
Government	...	...	42.9	37.0	20.1	27.7	39.5
Domestic Saving	16.6	20.1	29.0	25.4	8.1	-4.2	-12.7
Nongovernment	...	...	32.8	31.5	12.9	2.8	-5.7
Government	...	...	-3.8	-6.2	-4.8	-7.0	-6.9
External saving	24.2	24.2	23.9	21.6	20.1	37.6	59.4
	<i>(In percent of GDP)</i>						
Money and credit							
Broad money <sup>2</sup>	...	...	41.2	38.7	29.9	...	...
Currency <sup>2</sup>	...	...	6.1	4.5	5.9	...	...
Demand deposits <sup>2</sup>	...	...	8.6	6.4	6.7	...	...
Quasi money <sup>2</sup>	...	...	26.5	27.8	17.3	...	...
Domestic assets (net) <sup>2</sup>	...	...	37.1	36.8	26.1	...	...
Interest rates (percent) <sup>2</sup>	13.5	15.8	19.8	38.5	36.0	...	...
	<i>(In millions of U.S. dollars)</i>						
Merchandise exports	37	44	52	55	46	49	63
Merchandise imports <sup>3</sup>	112	132	142	135	82	118	192

TABLE A1 (CONCLUDED)

Fiscal Year <sup>4</sup>	1995/96	1996/97	1997/98	1998/99	Budget <sup>5</sup> 1999/00	Jan.–Jun. 2000		2000/01
						Prel. Budget	Est.	
<i>(In percent of GDP)</i>								
Fiscal balances								
Revenues	...	...	8.1	8.2	6.0	3.2	1.2	5.9
Recurrent expenditures	...	...	13.0	14.6	12.9	7.4	5.1	15.1
Capital expenditures	...	...	61.8	22.5	29.5	21.0	6.9	44.6
Overall balance (deficit)	...	...	-66.7	-28.8	-36.4	-25.2	-10.8	-53.8

Sources: Data provided by the Indonesian authorities; and IMF staff estimates.

<sup>1</sup>GDP in U.S. dollars was calculated using 1996 as the base year and assuming purchasing power parity.

<sup>2</sup>Estimated figures for 1999 are for end-September.

<sup>3</sup>Includes imports through foreign aid and excludes projected UNTAET and OCHA imports in 1999, 2000, and 2001.

<sup>4</sup>The fiscal year under Indonesia was from April 1 to March 31. There is no data on the actual execution of the 1999/2000 budget. The preliminary budget of UNTAET was prepared for calendar year 2000. The fiscal year 2000/01 is from July 1 to June 30.

<sup>5</sup>Original Indonesian provincial budget for East Timor.

TABLE A2  
East Timor: Real GDP by Sector

	1994	1995	1996	1997	1998	Est. 1999
<i>(In percent of total)</i>						
Agriculture	27.5	24.0	24.2	24.9	25.5	21.3
Mining and quarrying	0.9	1.0	1.0	1.2	1.0	1.4
Manufacturing industry	3.0	3.3	3.3	3.5	3.4	3.5
Electricity, gas, and water	0.6	0.7	0.8	0.8	0.9	0.7
Construction	21.8	23.2	22.1	21.7	15.7	23.2
Trade, hotels, and restaurants	11.0	10.4	10.3	10.3	10.9	8.1
Transportation and communications	8.7	10.0	10.3	10.3	11.0	8.1
Finance, rents, and business services	3.9	3.9	4.5	4.0	5.2	4.6
Public administration and defence	21.4	22.3	22.4	22.1	25.4	27.8
Private services	1.2	1.2	1.1	1.2	1.1	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>(Annual change, in percent)</i>						
Agriculture	1.3	-4.3	11.6	7.1	0.2	-48.4
Mining and quarrying	4.5	14.8	14.2	22.2	-8.6	-13.8
Manufacturing industry	16.0	21.4	7.9	11.7	-4.2	-37.4
Electricity, gas, and water	6.0	18.1	35.1	4.8	4.2	-49.9
Construction	14.5	16.2	5.8	2.1	-9.1	-9.0
Trade, hotels, and restaurants	29.3	4.1	9.6	4.3	3.6	-54.3
Transportation and communications	12.2	25.3	13.7	4.6	4.3	-54.5
Finance, rents, and business services	2.3	11.0	25.7	-6.7	26.2	-44.6
Public administration and defence	9.2	13.9	11.6	2.8	12.5	-32.6
Private services	10.6	10.8	6.6	7.5	-3.2	-32.0
Total	10.0	9.4	10.8	4.1	-2.1	-38.5

Sources: Data provided by the Indonesian authorities; and IMF staff estimates.

TABLE A3  
**East Timor: Monetary Survey**  
*(In billions of rupiah)*

	1996		1997		1998		1999
	December	March	December	March	September	December	September
Net foreign assets	...	...	-20	...	-30	-34	-40
Assets	...	...	0	...	9	7	9
Liabilities	...	...	-20	...	-39	-41	-49
Net domestic assets	...	...	370	...	421	468	490
Cash holdings	...	...	9	...	118	71	54
Net banking system float	...	...	12	...	0	0	-13
Reserve assets	...	...	...	...	...	...	...
Other assets	...	...	...	...	...	...	...
Liabilities	...	...	...	...	...	...	...
Credit	116	113	165	162	167	166	141
Interbank credit (net)	...	...	44	...	23	4	35
Loans	...	...	...	...	...	...	...
Borrowings	...	...	...	...	...	...	...
Capital and reserves	...	...	-17	...	-25	-18	-17
Interoffice credit (net)	...	...	157	...	233	311	324
Net unclassified assets	...	...	-1	...	-95	-66	-33
Assets	...	...	8	...	12	11	1
Liabilities	...	...	-9	...	-107	-77	-34
Deposit liabilities	...	...	350	...	391	435	450
Current deposits	...	...	86	...	69	82	126
Savings deposits	133	152	155	161	127	150	207
Time deposits	...	...	109	...	195	203	118
Stock of currency in circulation (estimated)	...	...	61	...	49	58	111
Deposit liability/GDP (in percent)	...	...	35	...	31	34	24
Cash holdings/Deposit liability (in percent)	...	...	3	...	30	16	12
Credit/GDP (in percent)	...	...	17	...	13	13	8

Sources: Data provided by the Indonesian authorities; and IMF staff estimates.

TABLE A4  
**East Timor: Distribution of Commercial Bank Credits**

	1995 December	1996 December	1997 December	1998 December	1999 June
<i>(In millions of rupiah)</i>					
<b>By sectors</b>					
Agriculture	533	906	1,005	8,135	9,505
Industry	522	794	2,806	5,015	4,902
Construction	13,917	19,239	25,878	17,762	13,481
Commerce	22,145	23,954	28,155	28,081	27,729
Transport	1,912	2,126	9,382	7,688	6,325
Environmental projects	...	7	169	141	143
Social projects	221	366	292	197	70
Other consumption	49,094	68,463	97,514	98,767	83,233
<b>Total</b>	<b>88,344</b>	<b>115,855</b>	<b>165,201</b>	<b>165,786</b>	<b>145,388</b>
<i>(In percent of total)</i>					
Agriculture	0.6	0.8	0.6	4.9	6.5
Industry	0.6	0.7	1.7	3.0	3.4
Construction	15.8	16.6	15.7	10.7	9.3
Commerce	25.1	20.7	17.0	16.9	19.1
Transport	2.2	1.8	5.7	4.6	4.4
Environmental projects	0.0	0.0	0.1	0.1	0.1
Social projects	0.3	0.3	0.2	0.1	0.0
Other consumption	55.6	59.1	59.0	59.6	57.2
<i>(In millions of rupiah)</i>					
<b>By use</b>					
Investments	3,879	6,639	17,264	12,992	11,225
Working capital	35,371	40,753	50,423	54,027	50,930
Consumption	49,094	68,463	97,514	98,767	83,233
<b>Total</b>	<b>88,344</b>	<b>115,855</b>	<b>165,201</b>	<b>165,786</b>	<b>145,388</b>
<i>(In percent of total)</i>					
Investments	4.4	5.7	10.5	7.8	7.7
Working capital	40.0	35.2	30.5	32.6	35.0
Consumption	55.6	59.1	59.0	59.6	57.2

Source: Data provided by the Indonesian authorities.



TABLE A5  
**East Timor: Consolidated Budgetary Operations**  
*(Provincial and central expenditure)*

	1997/98	1998/99	1999/2000 Budget <sup>1</sup>
	<i>(In millions of rupiah)</i>		
Total revenue	85,953	116,874	98,898
Tax revenue	83,767	113,862	95,248
Income tax	33,496	47,964	27,351
VAT/sales tax	27,355	23,485	37,790
Other	22,916	42,413	30,107
Nontax revenue	2,186	3,012	3,650
Total expenditure	796,642	527,088	700,168
Current expenditures	138,889	207,132	213,316
Salaries and wages	95,427	146,529	166,980
Goods	22,590	36,474	29,658
Services and maintenance	7,026	8,522	7,233
Travel	4,002	4,492	4,448
Transfers and subsidies	2,952	2,321	920
Contingent		0	0
Other	6,892	8,794	4,076
Capital expenditure	657,753	319,956	486,853
Overall balance (deficit –)	–710,689	–410,214	–601,270
	<i>(In percent of GDP)</i>		
Total revenue	8.1	8.2	6.0
Tax revenue	7.9	8.0	5.8
Nontax revenue	0.2	0.2	0.2
Total expenditures	74.8	37.0	42.4
Current expenditure	13.0	14.6	12.9
Capital expenditure	61.8	22.5	29.5
Overall balance (deficit –)	–66.7	–28.8	–36.4
<i>Memorandum item</i>			
<i>(In millions of rupiah)</i>			
GDP (outturn prices fiscal year) <sup>2</sup>	1,065,025	1,423,382	1,650,105

Sources: Data provided by the Indonesian authorities; and IMF staff estimates.

<sup>1</sup>Budget under Indonesian rule.

<sup>2</sup>No specific estimates for the provincial GDP for FY 1999/2000 have been found. The figure shown assumes that the East Timorese GDP would have grown in FY 1999/2000 at the same rate of growth of the Indonesian overall GDP, as presented in the Indonesian budget.

TABLE A6  
East Timor: Consolidated Revenue

	1997/98	1998/99	1999/2000 <sup>1</sup>
	<i>(In millions of rupiah)</i>		
Total revenue (I + II + III)	85,953	116,874	98,898
I. Tax revenue total (federal) <sup>2</sup>	76,786	106,225	87,348
Income tax <sup>1</sup>			
(PAJAK PENGHASILAN)	-33,496	-47,964	-27,351
Value added tax/sales tax <sup>2</sup>			
(PPN DAN PPN BM)	-27,355	-23,485	-37,790
Other tax revenue	-812	-668	-590
Revenue sharing scheme			
(Land and property, taxes, forestry, and leasing of lands)	-15,123	-34,108	-21,617
II. Tax regional revenue (provincial) <sup>3</sup>			
(PENDAPAPAN ASLI DAERAH)	6,981	7,637	7,900
Vehicle taxes	-4,019	-5,105	-5,450
Fee of vehicle ownership	-2,075	-2,399	-2,200
Leges money (uang peges)	-116		
Licensing (sand, stone, etc.)	-441		
Others <sup>4</sup>	-330	-133	-250
III. Nontax revenue (provincial)	2,186	3,012	3,650
Dividends on regional development banks	-944	-985	-1,100
Dividends on forestry and other agriculture exploitations	-695	-1,237	-1,450
Other dividends	-547	-790	-1,100
	<i>(In percent)</i>		
Total revenue (I + II + III)	100.0	100.0	100.0
I. Tax revenue total (federal) <sup>2</sup>	89.3	90.9	88.3
Income tax <sup>1</sup>			
(PAJAK PENGHASILAN)	39.0	41.0	27.7
Value-added tax/sales tax <sup>2</sup>			
(PPN DAN PPN BM)	31.8	20.1	38.2
Other tax revenue	0.9	0.6	0.6
Revenue sharing scheme			
(Land and property, taxes, forestry, and leasing of lands)	17.6	29.2	21.9
II. Tax regional revenue (provincial) <sup>3</sup>			
(PENDAPAPAN ASLI DAERAH)	8.1	6.5	8.0
Vehicle taxes	4.7	4.4	5.5
Fee of vehicle ownership	2.4	2.1	2.2
Leges money (uang peges)	0.1	0.0	0.0
Licensing (sand, stone, etc.)	0.5	0.0	0.0
Others <sup>4</sup>	0.4	0.1	0.3
III. Nontax revenue (provincial)	2.5	2.6	3.7
Dividends on regional development banks	1.1	0.8	1.1
Dividends on forestry and other agriculture exploitations	0.8	1.1	1.5
Other dividends	0.6	0.7	1.1

Sources: Data provided by the Indonesian authorities; and IMF staff estimates.

<sup>1</sup>Year 1999/2000 revenue as budgeted.

<sup>2</sup>Source of information: Directorate General of Taxation, Regional Office for XIV—Realisations—Annex I.

<sup>3</sup>APBD (Budget 1999/2000—Regional).

<sup>4</sup>Taxes on petroleum include sales tax and motor vehicle tax on gasoline and diesel (source of information: Pertamina; Customs Directorate).

TABLE A7  
East Timor: Balance of Payments

	1995	1996	1997	1998	Estimated 1999	Projected 2000	Projected 2001
<i>(In millions of U.S. dollars)</i>							
Current account including official transfers	-16	-18	-18	-15	1	-99	-180
Current account excluding official transfers	-103	-120	-124	-110	-48	-99	-180
Net exports of goods and services	-103	-120	-124	-110	-48	-99	-180
Exports of goods and services	37	44	52	56	50	53	66
Imports of goods and services	140	164	176	166	98	152	246
Foreign aid related <sup>1</sup>	70	82	86	77	40	105	173
East Timor budget	67	78	81	71	34	104	173
Other foreign aid	4	4	5	5	6	1	0
Other imports of goods and services <sup>2</sup>	70	83	90	89	58	47	74
Trade Balance	-75	-87	-91	-81	-36	-69	-129
Exports of goods	37	44	52	55	46	49	63
Imports of goods	112	132	142	135	82	118	192
Foreign aid related	44	51	53	47	24	72	119
Other imports	68	81	89	88	58	46	73
Services (net)	-28	-33	-33	-29	-20	-49	-55
Of which: Aid related services payments	-27	-31	-32	-29	-23	-52	-58
Private transfers	0	0	0	0	0	0	0
Official transfers	87	102	106	95	49	0	0
Of which: East Timor budget	83	97	101	89	43	0	0
Capital account	16	18	18	16	0	126	191
Official transfers (net inflow from UNTAET and humanitarian aid)	0	0	0	0	3	37	31
Trust Fund for East Timor	...	...	...	...	...	40	74
UN Trust Fund	...	...	...	...	...	41	57
Bilateral sources	...	...	...	...	...	28	47
Other capital flows and errors and omissions	16	18	18	16	-4	-20	-18
Commercial banks <sup>3</sup>	0	0	0	10	-3	-10	-9
Other short term <sup>4</sup>	0	0	0	0	0	-10	-9
Errors and omissions	16	18	18	6	-1	0	0
Overall balance	0	0	0	1	0	-22	-96
Financing gap	0	0	0	0	0	22	96
<i>(In percent of GDP, unless otherwise noted)</i>							
<i>Memorandum</i>							
GDP current prices (in billions of rupiah)	708	862	996	1,272	1,878	...	...
GDP current prices, US\$ millions, CPP adjusted	315	368	383	375	228	263	302
Current account balance excluding official transfers	-32.7	-32.6	-32.3	-29.4	-21.2	-37.7	-59.4
Current account balance including official transfers	-4.9	-4.9	-4.6	-4.0	0.2	-37.7	-59.4
Merchandise exports	11.8	12.1	13.5	14.6	20.4	18.8	20.8
Merchandise imports	35.6	35.8	37.1	36.1	36.1	45.1	63.5
Of which: Foreign-aid related	...	...	...	...	...	27.5	39.4

Sources: Data provided by UNTAET, Indonesian authorities; and IMF staff estimates.

<sup>1</sup>Assumes that 5 percent of the OCHA-led humanitarian aid and 6 percent of the UNTAET budget is spent locally.

<sup>2</sup>Assumes that half of the net foreign exchange gain from foreign aid transfers is spent by the private sector on imports.

<sup>3</sup>Assumes that one-quarter of the net foreign exchange gain from local spending of foreign aid is saved as bank deposits held by the private sector.

<sup>4</sup>Assumes that one-quarter of the net foreign exchange gain from local spending of foreign aid is hoarded as cash by the private sector.

TABLE A8  
**East Timor: Balance of Trade**  
*(In millions of U.S. dollars)*

	1995	1996	1997	1998	Projected 1999
Exports of goods	37	44	52	55	46
Agricultural goods	33	40	47	51	44
Farm food crops	5	7	8	8	3
Farm nonfood crops	20	25	31	28	33
Livestock	6	6	6	12	7
Forestry	1	1	1	1	1
Fishery	1	1	1	1	1
Mining and quarrying	1	1	2	1	1
Manufacturing industry	3	3	4	3	2
Imports of goods <sup>1</sup>	112	132	142	135	82
Foodstuffs	44	50	47	35	26
Rice	16	18	17	13	14
Nonrice	28	32	30	22	12
Petroleum products	11	11	13	14	4
Construction materials	33	37	35	20	13
Other imports	24	34	48	66	40
Trade balance	-75	-87	-91	-81	-36
<i>Memorandum items</i>					
Inter-island exports	37	44	52	53	39
Exports to third countries	0	0	0	1	7
Inter-island imports	100	120	129	135	105
Imports from third countries	12	12	14	0	19

Sources: Indonesian authorities; and IMF staff estimates.

<sup>1</sup>Excludes imports related to humanitarian assistance and those related to the UNTAET budget.

TABLE A9  
Fiscal Accounts for the East Timorese Administration

	2000			2000/01 Projection	2001/02 Projection	2002/03 Projection
	2000 Budget (Tokyo)	January–June Budget (Tokyo)	January–June Estimate			
	<i>(In millions of U.S. dollars)</i>					
Revenues	15.3	4.3	1.5	17.1	30.0	40.0
Direct taxes	1.0	0.5	0.1	1.0	...	...
Indirect taxes	9.3	1.8	1.4	9.1	...	...
Nontax	5.0	2.0	0.0	4.9	...	...
Timor Gap	...	...	0.0	2.0	...	...
Expenditures	107.4	38.6	15.8	171.9	184.1	148.0
Recurrent expenditures	30.0	10.0	6.6	43.6	45.6	47.6
Wages <sup>1</sup>	6.9	2.7	4.9	14.6	16.7	18.2
Goods and services	1.0	0.3	0.0	14.1	...	...
Others <sup>2</sup>	22.1	7.0	1.7	14.9	...	...
Of which: Infrastructure operational costs	8.8	4.4	0.9	11.9	...	...
Capital expenditures	77.4	28.6	9.1	128.3	138.6	100.4
Financed by TFET	64.4	...	5.9	69.1	78.3	38.3
Financed by UN Trust Fund	13.0	...	0.4	15.6	9.8	9.3
Other sources	...	...	2.8	43.5	50.5	52.9
Balance	-92.1	-34.3	-14.3	-154.8	-154.1	-108.0
Financing requirements	92.1	34.3	14.3	154.8	154.1	108.0
UNTF	...	...	4.3	40.6	25.3	16.8
TFET	...	...	5.9	69.1	78.3	38.3
Deposits (- increase)	...	...	-1.5	1.5	0.0	0.0
Escrow account (Timor Gap)	...	...	0.0	0.0	0.0	0.0
Other <sup>1,2</sup>	...	...	5.5	43.5	50.5	52.9
External financing available	...	...	15.7	75.2	0.0	0.0
UNTF	...	...	4.3	17.1	0.0	0.0
TFET	...	...	5.9	58.1	0.0	0.0
Other	...	...	5.5	0.0	0.0	0.0
Financing gap	...	...	0.0	78.1	154.1	108.0
UNTF	...	...	0.0	23.5	25.3	16.8
TFET	...	...	0.0	11.1	78.3	38.3
Other	...	...	0.0	43.5	50.5	52.9
<i>Memorandum items</i>						
Cumulative Disbursements to the Trust Funds						
UNTF	...	...	28.5	28.5	...	...
Of which: Committed <sup>3</sup>	...	...	7.1	...	...	...
TFET <sup>4</sup>	...	...	64.0	64.0	...	...
Number of public servants (FTE)	4,916	1,672	...	9,035	...	...
Monthly average wage (dollars)	83	83	...	135	...	...
	<i>(In percentage of GDP)</i>					
Revenue	5.6	3.2	1.2	5.9	8.9	10.1
Of which: Timor Gap	...	...	0.0	0.7	...	...
Expenditure	39.4	28.3	12.0	59.7	54.5	37.4
Recurrent	11.0	7.4	5.1	15.1	13.5	12.0
Capital	28.4	21.0	6.9	44.6	41.0	25.3
Balance	-33.8	-25.2	-10.8	-53.8	-45.6	-27.3
Nominal GDP (in millions of US\$)	273	...	...	288	338	396

Source: UNTAET; World Bank; and IMF staff estimates.

<sup>1</sup>Includes in the first half of 2000 stipends for primary teachers paid by UNICEF and WFP, and for health workers paid by some NGOs.

<sup>2</sup>Includes in the first quarter of 2000 power operation costs paid by the United Kingdom.

<sup>3</sup>Committed from the UNTF before May 15, 2000, but not disbursed in the first half of 2000. The cash payments would be expected to occur in FY 2000/01, but are not included in the budget presentation prepared by UNTAET.

<sup>4</sup>Excludes \$2.4 million from World Bank and Japanese post-conflict funds.



## References

- Arneberg, M., and J. Pedersen, 1999, "Social and Economic Conditions in East Timor" (New York: Columbia University; Oslo, Norway: Fafo Institute of Applied Social Science).
- International Monetary Fund, February 2000, *East Timor: A Strategy for Rebuilding Fiscal Management*, Fiscal Affairs Department (Washington).
- International Monetary Fund, June 2000, *East Timor—Establishing Fiscal Management: A Progress Report*, Fiscal Affairs Department (Washington).
- International Monetary Fund, June 2000, *East Timor: Initial Steps in Restoring and Transforming the Payment and Banking Systems*, Monetary and Exchange Affairs Department (Washington).
- International Monetary Fund, July 2000, *East Timor: Further Steps in Restoring and Transforming the Payment and Banking Systems*, Monetary and Exchange Affairs Department (Washington).
- United Nations, Food and Agriculture Organization and World Food Programme, April 19, 2000, *Special Report: East Timor* (Rome).
- United Nations, Transitional Administration in East Timor, and Indonesia, February 20, 2000, *Joint Communiqué Between the Republic of Indonesia and UNTAET* (East Timor).
- United Nations, Transitional Administration in East Timor, December 15, 1999, *East Timor—A Preliminary Consolidated Budget for 2000* (East Timor).
- United Nations, Transitional Administration in East Timor, and The World Bank, June 21–23, 2000, *Background Paper for Donors, Meeting on East Timor, June 2000* (East Timor).
- World Bank, *Joint Assessment Mission (JAM) Background Report*, available via the Internet: <http://wbln0018.worldbank.org/eap/eap.nsf>