

Annex V MTFF: Table 1. Iraq: Fiscal and Oil Sector Accounts, 2005–11
(In billions of ID; unless otherwise indicated)

	2005	2006	2007	2008	2009	2010	2011
	Est.	Est.			Projections		
Revenues and Grants	49,505	61,650	47,464	63,880	74,524	90,011	101,114
Revenues	36,655	49,265	40,781	59,547	74,433	89,955	101,081
Crude oil export revenues	33,896	43,741	35,242	48,936	61,984	74,723	82,273
Revenues of oil-related state owned enterprises	1,456	3,375	3,179	6,782	8,232	10,472	13,472
<i>Of which</i> revenues from reduction in price subsidy on petroleum products	0	1,062	620	3,780	4,634	6,397	8,966
Tax revenues	495	614	858	1,787	1,943	2,199	2,419
Direct taxes	207	350	489	607	740	885	1,044
Indirect taxes 1/	288	264	369	1,181	1,204	1,314	1,375
Non-tax revenues	809	1,535	1,502	2,042	2,274	2,562	2,917
Grants	12,850	12,385	6,683	4,334	90	55	32
Expenditures	44,497	53,480	57,688	69,610	77,681	89,613	100,758
Current expenditures	35,560	42,659	43,304	50,688	56,261	64,341	72,312
Salary and pension	9,282	11,909	15,172	18,812	21,436	24,123	26,693
Goods and Services (non-oil sector) 2/	13,019	13,785	12,559	14,021	14,465	17,048	19,118
Budgeted goods and services	3,135	5,500	8,052	11,026	14,465	17,048	19,118
Financed by oil-for-food program (OFFP) (other than social safety net)	760	206	0	0	0	0	0
Overhead costs for donors' financed projects 3/	3,512	3,378	1,890	1,152	0	0	0
Other goods and services financed by donors 4/	5,612	4,701	2,618	1,842	0	0	0
Goods and Services (oil sector)	5,212	6,599	2,937	3,002	3,598	4,075	4,506
Oil derivative imports	4,128	4,286	378	0	0	0	0
Operating expenditures of oil-related state-owned enterprises (including refinery)	1,085	2,313	2,559	3,002	3,598	4,075	4,506
Transfers	6,232	7,825	10,325	11,491	12,079	12,671	13,181
Social safety net (excluding OFFP)	3,751	5,117	5,733	6,601	7,253	7,814	8,330
Transfers to SOEs	900	1,428	1,726	1,680	1,391	1,250	1,100
Other transfers 5/	1,581	1,280	2,866	3,210	3,435	3,606	3,751
Interest payments	86	354	548	916	1,584	2,688	4,700
Domestic interest payments	86	234	334	298	262	226	190
External interest payments	0	119	214	618	1,322	2,462	4,510
War reparations 6/	1,730	2,187	1,762	2,447	3,099	3,736	4,114
Investment expenditures	8,936	9,830	14,030	18,369	20,666	24,319	27,293
Non-oil investment expenditures	6,587	7,926	10,893	13,613	14,118	16,940	18,651
Domestic financed reconstruction expenditure	2,189	3,966	8,209	10,711	11,862	14,508	16,289
OFFP financed reconstruction expenditure	478	0	0	0	0	0	0
Grant financed reconstruction expenditure	3,448	3,488	2,105	1,248	90	55	32
Loan financed reconstruction expenditure	0	0	578	1,653	2,166	2,376	2,329
Oil investment expenditures (including on refineries)	2,349	1,904	3,003	4,665	6,548	7,379	8,642
Contingency	0	990	354	554	754	954	1,154
Balance (including grants)	5,008	8,170	-10,224	-5,730	-3,157	398	356
Balance (excluding grants)	-7,842	-4,215	-16,907	-10,063	-3,247	343	323
Change in outstanding Letters of Credit [+ increase] 7/	2,947	1,674	...	...	...	...	...
Financing, <i>Of which:</i>	-2,103	-4,642	10,224	5,730	3,157	-398	-356
External financing	2,713	-3,105	9,224	4,730	2,157	-398	-356
Assets held abroad	1,462	-1,847	8,830	3,076	-9	-2,774	2,011
Project financing	0	0	578	1,653	2,166	2,376	2,329
Other financing 8/	1,486	430	0	0	0	0	0
Amortization	235	1,688	185	0	0	0	4,696
Domestic financing	-4,816	-1,537	1,000	1,000	1,000	0	0
Bank financing	-5,124	-587	1,000	1,000	1,000	0	0
Non bank financing	308	-950	0	0	0	0	0
Residual or Financing gap[+]/surplus [-]	42	-1,854	0	0	0	0	0
Memorandum items:							
Security-related expenditure	2,405	6,064	9,753	13,129	15,912	18,826	21,197
Primary fiscal balance	5,094	8,524	-9,675	-4,814	-1,573	3,086	5,056
Non-oil primary fiscal balance	-22,696	-30,088	-42,021	-52,773	-61,643	-70,655	-77,542
External assets held abroad	9,111	11,938	3,108	32	41	2,815	804

Sources: Iraqi authorities and Fund staff estimates and projections.

1/ Projections for 2007-2012 assume that the private sector will start importing petroleum products, thereby increasing substantially the base for import

2/ Include goods and services financed by donors, including overhead costs for reconstruction projects.

3/ Overhead costs associated with donor-financed reconstruction.

4/ Other goods and services financed by donors include security spending associated with the implementation of reconstruction projects.

5/ 2006 data includes ID270 billion allocated toward government's share of capital in new regional commercial banks. ID 1,500 formerly recorded under this item were re-classified as non-oil investment expenditures in 2006 budget presentation. Finally, ID265 billion were re-classified as debt repayment.

6/ Calculated as 5 percent of oil exports as per UN Security Council Resolution 1483 to finance war reparations to Kuwait.

7/ LCs in the Trade Bank of Iraq, for which 100 percent down-payment is customarily required.

8/ Includes financing from LCs previously issued under the UN oil-for-food program.

Table 2. Iraq: Fiscal and Oil Sector Accounts, 2005–11
(In percent of GDP)

	2005	2006	2007	2008	2009	2010	2011
	Est.	Est.			Projections		
Revenues and Grants	100.2	84.5	60.7	61.1	59.2	60.6	60.7
Revenues	74.2	67.6	52.2	56.9	59.1	60.6	60.7
Crude oil export revenues	68.6	60.0	45.1	46.8	49.2	50.3	49.4
Revenues of oil-related state owned enterprises	2.9	4.6	4.1	6.5	6.5	7.1	8.1
<i>Of which revenues from reduction in price subsidy on petroleum products</i>	0.0	1.5	0.8	3.6	3.7	4.3	5.4
Tax revenues	1.0	0.8	1.1	1.7	1.5	1.5	1.5
Direct taxes	0.4	0.5	0.6	0.6	0.6	0.6	0.6
Indirect taxes 1/	0.6	0.4	0.5	1.1	1.0	0.9	0.8
Non-tax revenues	1.6	2.1	1.9	2.0	1.8	1.7	1.8
Grants	26.0	17.0	8.5	4.1	0.1	0.0	0.0
Expenditures	90.1	73.3	73.8	66.5	61.7	60.3	60.5
Current expenditures	72.0	58.5	55.4	48.5	44.7	43.3	43.4
Salary and pension	18.8	16.3	19.4	18.0	17.0	16.2	16.0
Goods and services (non-oil sector) 2/	26.4	18.9	16.1	13.4	11.5	11.5	11.5
Budgeted goods and services	6.3	7.5	10.3	10.5	11.5	11.5	11.5
Financed by oil-for-food program (OFFP) (other than social safety net)	1.5	0.3	0.0	0.0	0.0	0.0	0.0
Overhead costs for donors' financed projects 3/	7.1	4.6	2.4	1.1	0.0	0.0	0.0
Other goods and services financed by donors 4/	11.4	6.4	3.3	1.8	0.0	0.0	0.0
Goods and services (oil sector)	10.6	9.0	3.8	2.9	2.9	2.7	2.7
Oil derivative imports	8.4	5.9	0.5	0.0	0.0	0.0	0.0
Operating expenditures of oil-related state-owned enterprises (including refinery)	2.2	3.2	3.3	2.9	2.9	2.7	2.7
Transfers	12.6	10.7	13.2	11.0	9.6	8.5	7.9
Social safety net (excl. OFFP)	7.6	7.0	7.3	6.3	5.8	5.3	5.0
Transfers to SOEs	1.8	2.0	2.2	1.6	1.1	0.8	0.7
Other transfers 5/	3.2	1.8	3.7	3.1	2.7	2.4	2.3
Interest payments	0.2	0.5	0.7	0.9	1.3	1.8	2.8
Domestic interest payments	0.2	0.3	0.4	0.3	0.2	0.2	0.1
External interest payments	0.0	0.2	0.3	0.6	1.0	1.7	2.7
War reparations 6/	3.5	3.0	2.3	2.3	2.5	2.5	2.5
Investment expenditures	18.1	13.5	17.9	17.6	16.4	16.4	16.4
Non-oil investment expenditures	13.3	10.9	13.9	13.0	11.2	11.4	11.2
Domestic financed reconstruction expenditure	4.4	5.4	10.5	10.2	9.4	9.8	9.8
OFFP financed reconstruction expenditure	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Grant financed reconstruction expenditure	7.0	4.8	2.7	1.2	0.1	0.0	0.0
Loan financed reconstruction expenditure	0.0	0.0	0.7	1.6	1.7	1.6	1.4
Oil investment expenditures (including on refineries)	4.8	2.6	3.8	4.5	5.2	5.0	5.2
Contingency	0.0	1.4	0.5	0.5	0.6	0.6	0.7
Balance (including grants)	10.1	11.2	-13.1	-5.5	-2.5	0.3	0.2
Balance (excluding grants)	-15.9	-5.8	-21.6	-9.6	-2.6	0.2	0.2
Change in outstanding Letters of Credit [+ increase] 7/	6.0	2.3	...	...	...	...	...
External financing	5.5	-4.3	11.8	4.5	1.7	-0.3	-0.2
Assets held abroad	3.0	-2.5	11.3	2.9	0.0	-1.9	1.2
Project financing	0.0	0.0	0.7	1.6	1.7	1.6	1.4
Other financing 8/	3.0	0.6	0.0	0.0	0.0	0.0	0.0
Amortization	0.5	2.3	0.2	0.0	0.0	0.0	2.8
Domestic financing	-9.8	-2.1	1.3	1.0	0.8	0.0	0.0
Bank financing	-10.4	-0.8	1.3	1.0	0.8	0.0	0.0
Non bank financing	0.6	-1.3	0.0	0.0	0.0	0.0	0.0
Residual or financing gap[+]/surplus [-]	0.1	-2.5	0.0	0.0	0.0	0.0	0.0
Memorandum items:							
Security-related expenditure	4.9	8.3	12.5	12.6	12.6	12.7	12.7
Primary fiscal balance	10.3	11.7	-12.4	-4.6	-1.2	2.1	3.0
Non-oil primary fiscal balance	-46.0	-41.3	-53.8	-50.5	-48.9	-47.6	-46.6

Sources: Iraqi authorities and staff estimates and projections.

1/ Projections for 2007-2012 assume that the private sector will start importing petroleum products, thereby increasing substantially the base for

2/ Include goods and services financed by donors, including overhead costs for reconstruction projects.

3/ Overhead costs associated with donor-financed reconstruction.

4/ Other goods and services financed by donors include security spending associated with the implementation of reconstruction projects.

5/ 2006 data includes ID270 billion allocated toward government's share of capital in new regional commercial banks. ID 1,500 formerly recorded under this item were re-classified as non-oil investment expenditures in 2006 budget presentation. Finally, ID265 billion were re-classified as debt repayment.

6/ Calculated as 5 percent of oil exports as per UN Security Council Resolution 1483 to finance war reparations to Kuwait.

7/ LCs in the Trade Bank of Iraq, for which 100 percent down-payment is customarily required.

8/ Includes financing from LCs previously issued under the UN oil-for-food program.