

## FISCAL TARGETS

The definitions of all variables and sectors are unchanged from the previous Review and the same adjustments apply for BOP support and FIDF operations.<sup>1</sup> The performance criterion on the Central Government Balance is being changed to an indicative limit, and the indicative limit on Central Government Expenditure is being eliminated. Principal and interest payments arising from financial sector restructuring, including from fiscalization of FIDF obligations, continue to be excluded.

### 1. Indicative limits on the cumulative balance of the central government

|  | Limit                        |                   |
|--|------------------------------|-------------------|
|  | Third Review                 | Fourth Review     |
| Cumulative balance from September 30, 1997 to: | (In billions of baht)        |                   |
| June 30, 1998                                  | -70 (performance criterion)  | -20 (actual)      |
| September 30, 1998                             | -117 (performance criterion) | -117 (indicative) |
| Cumulative balance from September 30, 1998 to: |                              |                   |
| December 31, 1998                              | ...                          | -53               |

The cash balance of the central government is defined as in the treasury accounts (excluding amortization); the coverage of these accounts was described in the MEP of May 26, 1998. Privatization receipts are excluded.

### 2. Performance criterion on banking system net credit to the public sector

|                    | Limit<br>(In billions of baht) |               |
|--------------------|--------------------------------|---------------|
|                    | Third Review                   | Fourth Review |
| June 30, 1998      | -314                           | -391 (actual) |
| September 30, 1998 | -277                           | -269          |
| December 31, 1998  | ...                            | -191          |

<sup>1</sup>The program baseline for cumulative (from August 1997) BOP support to the Central Government is \$1.4 billion for both September and December 1998.

## MONETARY TARGETS

The definitions of all performance criteria and indicative limits are unchanged from the previous Review, and the same adjustments apply.<sup>2</sup> For the purposes of program monitoring, the baht value of NFA of the BOT will be calculated using the exchange rates given in the previous MEPs.

### 1. Performance criterion on net domestic assets of the BOT

| Outstanding Stock as of: <sup>1</sup> | Ceiling<br>(In billions of baht) |                            |
|---------------------------------------|----------------------------------|----------------------------|
|                                       | Third Review                     | Fourth Review              |
| End-June 1998                         | -73 (adjusted) <sup>2</sup>      | -96 (actual)               |
| End-September 1998                    | -2 (performance criterion)       | 2 (performance criterion)  |
| End-December 1998                     | 30-37 (indicative)               | 52 (performance criterion) |

<sup>1</sup>Calculated as the average of the closing positions on the last five working days of the month and the first five working days of the following month.

<sup>2</sup>Adjusted for the excess of NFA over its projected baseline.

### 2. Indicative limits for reserve money

| Outstanding Stock as of: <sup>1</sup> | Limit<br>(In billions of baht) |               |
|---------------------------------------|--------------------------------|---------------|
|                                       | Third Review                   | Fourth Review |
| End-June 1998                         | 468                            | 445 (actual)  |
| End-September 1998                    | 471                            | 460           |
| End-December 1998                     | 505-512                        | 495           |

<sup>1</sup>Calculated as the average of the closing positions on the last five working days of the month, and the first five working days of the following month.

<sup>2</sup>The NFA baseline path is B 458 billion for September 1998, and B 443 billion for December 1998. The NDA ceiling will be adjusted downwards to the extent that NFA exceeds the baseline projection. Changes in reserve regulations will modify the NDA ceiling and the indicative limit on reserve money, as described in the MEP of May 26, 1998.

## EXTERNAL SECTOR TARGETS

The definitions of all performance criteria, as well as the exchange rates used, are unchanged from the previous Review.

### 1. Performance criterion on net international reserves of the BOT

|  | Floor<br>(In millions of U.S. dollars) |                                |
|--|--|--------------------------------|
|  | Third Review                           | Fourth Review                  |
| Stock as of July 31, 1997                        | 1,144 (actual)                         |                                |
| Cumulative change from level<br>on July 31, 1997 |  |                                |
| End-June 1998                                    | 8,800 (performance criterion)          | 11,432 (actual)                |
| End-September 1998                               | 10,500 (performance criterion)         | 10,500 (performance criterion) |
| End-December 1998                                | 12,500 (indicative)                    | 11,500 (performance criterion) |

The program definition of NIR of the BOT is as described in the May 26 MEP.

### 2. Performance criterion on contracting or guaranteeing of new external debt

The limit applies to the contracting or guaranteeing by the public sector of new nonconcessional external debt with an original maturity of more than one year, as defined in the MEP of May 26, 1998.

|                                 | Limit<br>(In millions of U.S. dollars) |                               |
|---------------------------------|--|-------------------------------|
|                                 | Third Review                           | Fourth Review                 |
| Cumulative from August 10, 1997 |  |                               |
| End-June 1998                   | 8,000 (performance criterion)          | 2,489 (actual)                |
| End-September 1998              | 9,000 (performance criterion)          | 9,000 (performance criterion) |
| End-December 1998               | 9,000 (indicative)                     | 9,000 (performance criterion) |

### 3. Performance criterion on the stock of short-term debt outstanding

The public sector will not contract or guarantee any new debt of maturity up to one year. Excluded from these limits are guarantees associated with the financial system restructuring, the balance of payments financing package envisaged under the program, normal import-related credits, forward contracts, swaps, and other futures market contracts.