

Information Memorandum on

The Faroe Islands



September 2003

Appendix



Landsbanki Føroya
Governmental Bank

Appendix A, TABLE 1

TOTAL DEBT OF THE FAROESE GOVERNMENT

	31. Dec 2001	31. Dec 2002
	In DKK	In DKK
<i>Debt to the Kingdom of Denmark:</i>		
DKK 4023 million 1998-2018	3.639.947.996	3.499.085.133
DKK 500 million 2018	500.000.000	500.000.000
Total	<u>4.139.947.996</u>	<u>3.999.085.133</u>
Other Debts in Denmark	1.940.190	1.940.190
Debt in Faroe Islands	111.265.019	111.265.019
Bonds	<u>300.000.000</u>	<u>300.000.000</u>
Total	<u>4.553.153.205</u>	<u>4.412.290.342</u>

Appendix B, TABLE 1

GUARANTEED EXTERNAL DEBT

Company (1000 DKK) SEV (The Power Company)	Principal	Remaining Debt	
		2001	2002
	DKK 50.000	16.883	11.688
	Total in DKK	<u>16.883</u>	<u>11.688</u>
Telefonverk	DKK 33.300	2.907	0
Føroya Lögtings (The Telephone Company)	DKK 28.860	5.772	2.886
	DKK 29.400	1.472	0
	Total in DKK	<u>10.151</u>	<u>2.886</u>
Total Guaranteed External Debt (in DKK)		<u>27.034</u>	<u>14.574</u>

Appendix B, TABLE 2

GUARANTEED DEBT ON BORROWING GROUPS

Groups (1000 DKK)	1996	1997	1998	1999	2000	2001	2002
Government Institutions	434.701	307.888	81.327	29.880	18.893	10.152	2.886
Landsbanki Føroya	44.216	41.610	38.739	38.739	36.479	30.948	15.611
Social security service	51.703	24.508	18.853	0	0	0	0
Municipalities	208.327	203.492	186.778	178.869	156.954	142.254	124.704
Municipal Institutions	43.928	36.364	31.818	27.273	22.078	16.883	11.688
Public Debt	782.875	613.862	357.515	274.761	234.404	200.237	154.889
Fishing	50.132	44.604	24.300	5.642	4.250	3.342	1.728
Fish Processing	7.470	4	0	0	0	0	0
Transport	15.290	11.426	7.922	4.403	2.867	0	0
Private Debt	72.891	56.034	32.223	10.045	7.117	3.342	1.728
Total Guaranteed Debt	855.766	669.896	389.737	284.806	241.521	203.579	156.617

Appendix C, TABLE 3

BALANCE OF PAYMENTS AND NET FOREIGN DEBT 1993 - 2002

(Million DKK)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance of Payments:										
<i>The Faroe Islands</i>										
Total (mill. DKK)	715	1.150	822	1.146	873	1.246	1.188	1.124	1.235	760
Per cap. (1,000 DKK)	16	26	19	26	20	28	26	24	26	16
percent of GDP	14	23	15	20	14	18	15	13	13	8
<i>Denmark</i>										
Total (bill. DKK)	25	15	7	15	4	10	21	20	41	39
Per cap. (1,000 DKK)	5	3	1	3	1	3	4	4	8	7
percent of GDP	3	2	1	1	0	1	2	2	3	3
Net Foreign Debt:										
<i>The Faroe Islands</i>										
Total (mill. DKK)	6.659	5.390	4.402	3.163	2.309	-206	-1.426	-2.056	-3.164	-3.652
Per cap. (1,000 DKK)	147	123	101	72	52	-5	-31	-45	-67	-77
percent of GDP	132	106	83	55	37	-3	-18	-24	-34	-37
<i>Denmark</i>										
Total (bill. DKK)	291	259	266	253	285	299	163	189	228	250
Per cap. (1,000 DKK)	56	50	51	48	54	56	31	35	42	46
percent of GDP	33	29	28	24	26	26	13	15	17	18

Appendix C, TABLE 4

ECONOMIC DEVELOPMENT 1993 - 2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GDP, million DKK	5.057	5.085	5.322	5.788	6.175	7.118	7.761	8.440	9.248	9.745
GDP, real growth %*	-16,3%	-1,8%	1,5%	6,1%	3,9%	10,5%	3,9%	3,8%	6,9%	4,9%
Invest. Quota in %	3%	6%	11%	13%	16%	18%	23%	29%	21%	18%
Bud.Surpl. % of GDP	-49,1%	-2,7%	0,2%	1,3%	2,9%	6,6%	8,3%	7,1%	7,3%	1,8%
Inflation (CPI), %	6,8%	2,3%	3,2%	2,7%	2,8%	4,7%	5,1%	4,9%	2,7%	0,5%

* Growth in nominal GDP minus growth in consumer price index (CPI)

Appendix D, TABLE 4

GROSS SAVINGS AND THE FINANCE OF INVESTMENTS 1993 - 2002

(Million DKK)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GDP at Market Prices	5.057	5.085	5.322	5.788	6.175	7.118	7.761	8.440	9.248	9.745
Net Interest	-715	-500	-420	-340	-330	-80	0	30	80	180
Net Wages etc.	-100	-50	-30	-28	-25	-23	-20	-18	-65	-22
Danish State Transfers	1.014	1.086	1.083	1.097	1.130	1.159	1.185	1.211	1.238	820
Danish Central Bank	44	0	28	25	24	21	21	25	26	26
Disposable Income	5.300	5.621	5.983	6.542	6.973	8.195	8.947	9.689	10.527	10.749
Public and Private Consump.	4.440	4.148	4.563	4.625	5.102	5.635	5.944	6.148	7.324	8.212
Gross Savings	860	1.473	1.419	1.917	1.871	2.561	3.003	3.541	3.203	2.537
Capital Inflows	-715	-1.150	-822	-1.146	-873	-1.246	-1.188	-1.124	-1.235	-760
Finance of Investments	145	323	597	771	999	1.315	1.815	2.417	1.968	1.777

Appendix D, TABLE 5

CAPITAL FORMATION QUOTA 1993 - 2002

(Million DKK)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Capital Investment	145	323	597	771	999	1.315	1.815	2.417	1.968	1.777
GDP	5.057	5.085	5.322	5.788	6.175	7.118	7.761	8.440	9.248	9.745
Capital Investment Quota	3%	6%	11%	13%	16%	18%	23%	29%	21%	18%

Appendix E, TABLE 3

EXPORTS BY PRODUCT 1993 - 2002

(Million DKK)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Fishery products										
Frozen and iced fish	265	205	400	575	561	443	447	509	813	924
F. and i. fish filets	673	720	715	643	727	1080	1035	1236	1179	1148
Salted fish	172	227	253	287	301	362	450	546	700	670
Shellfish and mollusc	270	291	239	245	217	276	279	250	364	257
Other f. for human cons.	546	450	247	355	453	377	735	741	842	831
Fish, not human cons.	114	111	118	175	201	268	160	240	296	262
Other products	12	23	18	20	19	29	41	41	27	12
Total (excl. ships)	2.052	2.027	1.990	2.300	2.479	2.835	3.147	3.563	4.221	4.104
Ships	80	50	35	116	88	99	123	258	58	5
TOTAL	2.132	2.077	2.025	2.416	2.567	2.934	3.270	3.821	4.279	4.109

Appendix E, TABLE 4

IMPORTS BY PRODUCT 1993 - 2002

(Million DKK)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Intermediate goods for										
Agriculture and fish breed.	108	124	118	170	200	238	264	299	368	276
Construction industry	106	82	105	142	166	192	240	292	342	383
Other industries	288	337	349	414	417	507	554	681	729	739
Fuel etc.	219	182	202	280	285	187	267	508	488	410
Machinery, capital eq.	75	123	147	150	206	226	329	408	590	411
Transport eq. ex. ships	11	17	91	133	131	161	201	210	240	242
Goods for househ. cons.	500	517	582	635	710	790	841	941	1014	1101
Other goods	41	30	43	44	44	45	45	48	49	49
Total (excl. fish and ships)	1.348	1.412	1.637	1.939	2.129	2.346	2.741	3.387	3.820	3.611
Salt	4	8	8	9	7	6	6	9	8	7
Fresh fish	25	17	27	31	28	21	6	6	6	19
Frozen fish	29	56	60	16	36	56	76	92	46	36
Fish not for human cons.	21	23	23	48	43	64	31	30	58	48
Fish import	79	103	118	105	114	146	119	137	118	110
Total (excl. ships)	1.427	1.515	1.755	2.044	2.243	2.492	2.860	3.524	3.938	3.721
Ships	0	37	10	103	120	99	430	790	220	174
TOTAL	1.427	1.552	1.765	2.147	2.363	2.591	3.290	4.314	4.158	3.895

Appendix F, TABLE 2

TOTAL FOREIGN DEBT 1993 - 2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Net Debt (incl. DK)	6,659	5,390	4,402	3,163	2,309	-206	-1,426	-2,056	-3,164	-3,652
Public Debt	7,444	6,936	6,996	6,817	6,488	4,443	3,659	3,348	3,011	2,451
Private Debt	-785	-1,546	-2,594	-3,654	-4,179	-4,649	-5,085	-5,404	-6,175	-6,103
Net Debt (ex. DK)	4,399	3,450	2,572	1,135	1,046	704	538	608	589	591
Public Debt	3,509	2,764	2,083	666	513	224	133	60	59	54
Private Debt	890	686	489	469	533	479	405	548	530	537

Appendix G, TABLE 1

TOTAL CATCHES BY SPECIES 1993 - 2001

(Tons live weight)	1993	1994	1995	1996	1997	1998	1999	2000	2001
Cod	26.720	35.475	44.465	60.504	57.923	39.689	33.725	32.601	38.706
Haddock	5.066	7.664	8.284	13.896	21.394	22.598	19.697	16.212	16.061
Saithe	36.955	35.096	30.104	20.398	22.599	26.751	34.423	35.997	45.792
Tusk	3.289	4.389	4.423	2.562	2.593	2.389	2.714	2.585	2.922
Ling	2.023	2.666	3.655	3.132	4.056	3.547	2.998	2.358	2.558
Blue Ling	3.058	1.764	2.263	1.624	1.172	1.274	2.136	1.756	2.454
Redfish	14.151	12.137	14.225	11.029	11.405	7.951	7.129	13.324	13.572
Greenland Halibut	4.359	6.294	11.423	6.241	5.124	3.787	4.111	5.584	4.128
Salmon	74	10	3	0	0	5	0	0	0
Porbeagle	320	47	42	7	9	7	10	13	8
Scallops	3.600	3.855	2.781	3.559	3.581	4.751	5.993	3.989	4.053
Lobsters	54	102	79	66	40	57	80	73	51
Blue Whiting	16.376	25.720	30.573	21.483	28.773	71.217	105.106	152.687	259.761
Norway Pout	30.801	32.860	9.777	9.133	11.215	6.222	4.045	1.754	2.429
Capelin	38.902	12.310	3.306	39.777	43.466	41.966	24.275	59.855	32.110
Herring	3.375	5.378	60.638	57.853	65.949	70.214	56.476	65.270	35.172
Mackerel	14.422	19.821	29.428	19.530	8.401	10.654	11.334	21.022	24.005
Horse Mackerel	2.058	505	950	863	1.005	216	3.643	2.014	180
Sand Eel	2.836	9.389	6.006	5.023	11.221	11.071	7.487	8.513	6.030
Prawns	9.689	8.944	9.334	10.592	10.868	12.985	14.843	12.611	16.175
Great Silver Smelt	1.063	960	6.647	9.496	8.433	17.167	8.186	6.388	9.952
Monk fish		1.037	1.404	1.610	1.744	1.885	2.578	2.215	2.006
Other species	7.953	8.681	9.646	6.191	8.083	8.094	7.373	7.577	6.712

Total catches 227.144 235.104 289.456 304.569 329.054 364.497 358.362 454.398 524.837

Appendix H, TABLE 1

FAROESE GOVERNMENT CASH FLOW BUDGET 1993 - 2002

INCOME (Million DKK)	1993	1994	1995	1996	1997	1998	*1999	2000	2001	2002
Income Taxes	852	797	898	827	966	1,074	1,231	1,309	1,566	1,674
Indirect Taxes	681	909	898	966	861	936	1,106	1,116	1,148	1,239
Other Income	214	114	119	126	108	154	202	193	238	261
Danish State Grant	814	817	852	867	898	920	945	973	995	629
Total	2,561	2,637	2,767	2,786	2,895	3,148	3,484	3,591	3,947	3,803

EXPENDITURE

General Public Services	141	129	129	135	184	222	186	159	189	215
Defence, Guard and Safety	15	22	17	16	20	23	78	97	75	71
Education Services	371	372	381	395	393	411	475	503	547	575
Health Services	357	368	357	365	370	380	425	430	502	547
Social Welfare Services	766	775	833	830	850	899	998	1071	1136	1284
Housing and Environment	11	28	2	2	88	76	82	94	97	85
Culture, Recreation and Religi	56	56	61	61	56	53	61	50	66	65
Energy	0	0	0	0	0	0	0	0	0	0
Primary Industry	270	273	274	254	241	155	100	88	69	89
Secondary Industry	104	66	35	20	18	14	21	14	17	11
Transport and Communication	220	187	164	160	159	193	196	230	274	377
Other Industrial Purposes	2,419	125	64	36	3	73	73	74	73	101
Interest	315	372	442	438	336	248	223	213	208	201
Others, not specified	0	0	0	0	0	0	-82	-34	-3	-9
Total	5,046	2,774	2,759	2,712	2,718	2,677	2,836	2,989	3,250	3,612
Surplus	-2,484	-137	8	74	177	471	648	602	697	191

*) From 1999 and forward, there have been some minor changes in the structure of compilation.

Appendix H, TABLE 2

THE GOVERNMENT BUDGET DISTRIBUTED ON ECONOMIC ITEMS

	1998	1999	2000	2001	2002
Public service expenditure	1,585	1,839	2,120	2,302	2,510
Sales	-261	-399	-586	-612	-666
Net public service expenditure	1,324	1,440	1,534	1,690	1,844
Investment expenses	77	119	176	186	251
Investment income	-1	-1	0	0	-3
Transfer expenses	1,603	1,737	1,465	1,471	1,551
Transfer income	-3,311	-3,592	-3,767	-4,165	-4,035
Transfers to public sector	30	73	73	109	164
Financial	-193	-425	-84	13	37
Surplus	-471	-649	-603	-696	-191

Appendix H, TABLE 4

CONTRACTUAL WAGES JANUARY 1995 - JULY 2003

Holiday allowance and pension included.

(DKK per hour)	jan-95	jan-96	jan-97	jan-98	jan-99	jan-00	jan-01	jan-02	jan-03	jul-03
Workers (\$1, a)	84,4	84,4	85,7	86,5	88,1	92,2	96,3	101,9	107,5	112,6
Skilled Workers	94,6	94,6	96,1	96,9	98,9	104,1	108,9	116,7	124,5	124,5
Public Employees (9, 14)	97,8	99,7	103,1	103,7	106,9	110,1	113,4	119,6	124,1	124,1

Appendix H, TABLE 5

UNEMPLOYMENT JULY 1996 - FEBR. 2003

in number and percent

	jul-96	jul-97	aug-98	aug-99	aug-00	feb-01	aug-01	feb-02	aug-02	feb-03
Fish processing	271	289	259	269	290	229	328	275	248	218
Other manufacturing	1.335	1.066	846	773	793	867	559	613	502	687
Total number	1.606	1.355	1.105	1.042	1.083	1.096	887	888	750	905
Per cent	8	6,0	5,0	3,9	4,3	4,2	3,0	3,1	2,5	3,1
Unemp. outside system	830	752	463	352	250	160	189	154	126	90
Per cent	4	3,0	2,0	1,5	1,0	0,6	0,5	0,5	0,5	0,4
Total unemployed percent	12,0	9,0	7,0	5,4	5,3	4,8	3,5	3,6	3,0	3,5

Appendix H, TABLE 6

CONSUMER PRICE INDEX 1993 - 2002

Medium price index. 1975= 100

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Medium index per year	314,68	322,02	332,32	341,14	350,64	367,265	386,15	405,2	416,15	418,32
Percent increase per year	6,8%	2,3%	3,2%	2,7%	2,8%	4,7%	5,1%	4,9%	2,7%	0,5%