

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

MASTER FILES

ROOM C-120

EBD/84/21

January 25, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Malawi - Exchange Arrangements

There is attached for the information of Executive Directors a paper on a change in Malawi's exchange arrangements.

Att: (1)

Other Distribution:
Department Heads

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Circular stamp in the bottom right margin.

INTERNATIONAL MONETARY FUND

Malawi--Exchange Arrangements

Prepared by the African Department and the Exchange
and Trade Relations Department

(In consultation with the Legal Department)

Approved by Oumar B. Makalou and S. Kanesa-Thasan

January 25, 1984

The Governor of the Reserve Bank of Malawi has notified the Fund in the attached communication dated January 17, 1984 of a change in Malawi's exchange arrangements. With effect from January 17, 1984, the exchange rate of the Malawi kwacha has been depreciated, and has also been delinked from the SDR and pegged to a new basket of currencies, the composition of which reflects Malawi's trade with its major trading partners. On January 17, the new midpoint exchange rate for the kwacha was MK 1.35501 = US\$1, representing a 3.2 percent depreciation with respect to the rate of MK 1.31113 = US\$1 calculated for January 17 on the basis of the previous peg to the SDR.

A staff team is now in Lilongwe to complete a review under the current extended arrangement. The staff report on the discussions will contain a discussion of Malawi's exchange rate policies. In the meantime no action by the Executive Board is proposed.

Attachment

TO: INTERFUND GROUP YRATONOM INTERNATIONAL MONETARY FUND
WASHINGTON, DC

FROM: RESERVE BANK OF MALAWI
LILONGWE
17TH JANUARY, 1984
(In consultation with the Legal Department)

PLEASE BE INFORMED THAT THE MALAWI KWACHA HAS WITH EFFECT FROM
JANUARY 17, 1984 BEEN PEGGED TO A BASKET OF SEVEN CURRENCIES.

BEST REGARDS.

The Governor of the Reserve Bank of Malawi has notified in the attached communication dated January 17, 1984 of a change in Malawi's exchange arrangements. With effect from January 17, 1984, the exchange rate of the Malawi Kwacha has been depreciated and pegged from the SDR and pegged to a new basket of currencies which includes the Malawi Kwacha's trade with its major partners. On January 17, the new midpoint exchange rate for the Kwacha was MK 1.35201 = US\$1, representing a 3.2 percent depreciation with respect to the rate of MK 1.3113 = US\$1 calculated for January 17 on the basis of the previous peg to the SDR.

A staff team is now in Lilongwe to complete a review under the current extended arrangement. The staff report on the discussion will contain a discussion of Malawi's exchange rate policies. In the near future no action by the Executive Board is proposed.

Attachment

Received in Cable Room: January 17, 1984