

DOCUMENT OF INTERNATIONAL MONETARY FUND
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**IMMEDIATE
ATTENTION**

MASTER FILES

ROOM C-120.

01.

EBD/84/31

February 1, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Malawi - Change in the Representative Rate for the Malawi Kwacha

It is not proposed to bring the attached memorandum on a change in the representative rate for the Malawi kwacha to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Tuesday, February 7, 1984. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads



INTERNATIONAL MONETARY FUND

Change in the Representative Rate for the Malawi Kwacha

Prepared by the Treasurer's Department

(In consultation with the African and the Legal Departments)

Approved by W.O. Habermeier

February 1, 1984

The representative rate of the Malawi kwacha against the SDR under Rule 0-2, paragraph b(iii), was determined on the basis of its fixed relationship to the SDR (Executive Board Decision No. 5798-(78/83) G/S, adopted June 6, 1978).

The authorities notified the Fund that, with effect from January 17, 1984, the value of the Malawi kwacha is no longer linked to the SDR and has been pegged to a new basket of seven currencies.^{1/} Following this change in Malawi's exchange arrangements, the staff has consulted with the authorities on the determination of a representative rate for the Malawi kwacha for spot delivery in the exchange market. As a result of these consultations, the Fund finds that the representative rate of the Malawi kwacha against the U.S. dollar is the mid-point of buying and selling rates. On January 17, 1984, the rate of exchange per U.S. dollar was K 1.3517 buying and K 1.3618 selling. The authorities have indicated that they will notify the Fund promptly of any change in the rate or in the definition of the representative rate.

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board.

The Fund finds, after consultation with the Malawi authorities, that the representative exchange rate for the Malawi kwacha against the U.S. dollar, under Rule 0-2(b)(i), is the mid-point of the buying and selling rates for spot transactions in exchange markets. The Reserve Bank of Malawi will notify the Fund promptly of changes in the rate and advise of any change in the definition of the representative rate for the Malawi kwacha.

Attachment

^{1/} See EBD/84/21, January 25, 1984, "Malawi - Exchange Arrangements."

TO: INTERNATIONAL MONETARY FUND, WASHINGTON

FROM: RESERVE BANK OF MALAWI, LILONGWE

JANUARY 25, 1984

ATTN: TREASURER'S DEPARTMENT - INTERFUND

REFERENCE YOUR TELEX OF JANUARY 25, 1984 REGARDING
THE REPRESENTATIVE RATE OF THE MALAWI KWACHA.

THE RESERVE BANK OF MALAWI PROPOSES THAT THE
REPRESENTATIVE RATE FOR THE MALAWI KWACHA AGAINST
THE UNITED STATES DOLLAR IS THE MID-POINT OF BUYING
AND SELLING RATES FOR SPOT TRANSACTIONS IN EXCHANGE
MARKETS. ON JANUARY 17, 1984 THE RATE OF EXCHANGE
PER UNITED STATES DOLLAR IS K 1.3517 BUYING AND
K 1.3618 SELLING. THE RESERVE BANK OF MALAWI WILL
NOTIFY THE FUND PROMPTLY OF CHANGES IN THE RATE
AND OF ANY CHANGE IN THE ABOVE DEFINITION OF THE
REPRESENTATIVE RATE.

Received in cable room January 25, 1984, 9:35 AM.