

DOCUMENT OF INTERNATIONAL MONETARY FUND
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**IMMEDIATE
ATTENTION**

MASTER FILES

ROOM C-122

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EBD/84/307

December 3, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Mozambique - Representative Rate for the Metical

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Friday, December 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

Mozambique - Representative Rate for the Metical

Prepared by the Treasurer's Department

(In consultation with the African Department and the Legal Department)

Approved by W.O. Habermeier

November 30, 1984

The People's Republic of Mozambique became a member of the Fund on September 24, 1984 with a quota equivalent to SDR 61,000,000.

As mentioned in the attached telex from the authorities the currency of Mozambique is the metical, which is pegged to a weighted basket of six currencies, and as of September 24, 1984 the rates of exchange for the U.S. dollar in spot exchange transactions were MT 43.348 per U.S. dollar for buying and MT 44.194 per U.S. dollar for selling.

Consultations have taken place with the authorities of Mozambique regarding the determination, by the Fund, of a representative rate for the Mozambique metical. It is considered that the representative rate for the Mozambique metical under Rule 0-2(b)(i) against the U.S. dollar is the midpoint between the buying and selling rates for the Mozambique metical against the U.S. dollar as published by the Bank of Mozambique. It is understood that the Bank of Mozambique will promptly inform the Fund of any change in 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 authorities of Mozambique that, under Rule 0-2(b)(i), the representative rate for the Mozambique metical against the U.S. dollar is the midpoint between buying and selling rates for the Mozambique metical. The Bank of Mozambique will promptly inform the Fund of any change in the representative rate.

Attachment

ATTACHMENT

INTERNATIONAL MONETARY FUND - WASHINGTON D.C.

FROM MINISTRY OF FINANCE - MAPUTO

MAPUTO, 14TH NOVEMBER, 1984

SIR,

REFERENCE CONSULTATION FOR DETERMINING A REPRESENTATIVE RATE FOR THE CURRENCY OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE:

1. THE CURRENCY OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE IS THE METICAL WHICH IS PEGGED TO A WEIGHTED BASKET OF SIX CURRENCIES. ON THE 24TH SEPTEMBER, 1984 THE RATES OF EXCHANGE WERE MT 43.348 BUYING AND MT 44.194 SELLING PER U.S. DOLLAR IN SPOT EXCHANGE TRANSACTIONS.

2. THIS IS TO PROPOSE THAT THE FUND CONSIDER THAT THE REPRESENTATIVE RATE FOR THE METICAL TO BE USED IN TRANSACTIONS WITH THE FUND UNDER RULE 0-2(B)(I), IS THE MID-POINT BETWEEN THE BUYING AND SELLING RATES AGAINST THE U.S. DOLLAR FOR SPOT TRANSACTIONS AS PUBLISHED BY BANK OF MOZAMBIQUE. THE BANK OF MOZAMBIQUE WILL PROMPTLY INFORM THE FUND OF ANY CHANGE IN THE REPRESENTATIVE RATE FOR THE METICAL.

VERY TRULY YOURS,

RUI BALTASAR DOS SANTOS ALVES

MINISTER OF FINANCE OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE

THE MANAGING DIRECTOR,

INTERNATIONAL MONETARY FUND

WASHINGTON, D.C. 20431

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