

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**FOR
AGENDA**

EBS/83/28
Supplement 1

CONFIDENTIAL

February 24, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Malawi - Purchase Transaction - Compensatory Financing Facility -
Fluctuations in the Cost of Cereal Imports

Attached is the request from Malawi for a purchase equivalent to SDR 12,200,000 referred to in EBS/83/28 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Monday, February 28, 1983.

Att: (1)

RESERVE BANK OF MALAWI, LILONGWE
FEBRUARY 21, 1983

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ATTENTION: TREASURER'S DEPARTMENT

RE YOUR TELEX GRA (CF) NO. 8

1. AS FISCAL AGENCY FOR THE GOVERNMENT OF MALAWI, WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 2,000,000 AND THE EQUIVALENTS OF SDR 1,800,000 IN RIALS OMANI, SDR 2,100,000 IN PARAGUAYAN GUARANIES AND SDR 6,300,000 IN U.S. DOLLARS TOTALING THE EQUIVALENT OF SDR 12,200,000 IN ACCORDANCE WITH TERMS OF ARTICLE V, SECTIONS 3 AND 4 AND EXECUTIVE BOARD DECISION NO. 6860-(81/81), ADOPTED MAY 13, 1981. IN THIS CONNECTION WE STATE THAT WE WILL COOPERATE WITH THE INTERNATIONAL MONETARY FUND IN AN EFFORT TO FIND APPROPRIATE SOLUTIONS FOR THE BALANCE OF PAYMENTS DIFFICULTIES.

2. WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF FUND AGREEMENT.

3. PLEASE CREDIT MALAWI'S SDR ACCOUNT WITH SDR 2,000,000 ON VALUE DATE OF PURCHASE.

4. PLEASE PLACE RIALS OMANI AND PARAGUAYAN GUARANIES AT OUR DISPOSAL AT CENTRAL BANK OF OMAN, RUWI AND BANCO CENTRAL DEL PARAGUAY, ASUNCION, RESPECTIVELY, AND REQUEST THESE INSTITUTIONS TO ARRANGE EXCHANGE OF CURRENCIES INTO U.S. DOLLARS AND PAYMENT OF PROCEEDS TO OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK ON VALUE DATE OF PURCHASE.

5. PLEASE ARRANGE PAYMENT OF U.S. DOLLARS TO OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK ON VALUE DATE OF PURCHASE.

6. THE EQUIVALENT OF DESIRED PURCHASE NAMELY MALAWI KWACHA 14,787,878.79 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT WITH OURSELVES, ON THE VALUE DATE OF PURCHASE.

7. WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE SHALL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE.

8. REGARDING SERVICE CHARGE, PLEASE DEBIT MALAWI'S SDR ACCOUNT WITH SDR 61,000 ON VALUE DATE OF PURCHASE.

Received in Cable Room February 21, 1983.