

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/83/31

CONFIDENTIAL

February 10, 1983

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

The attached paper on a recent change in the exchange arrangements of Western Samoa is circulated for the information of the Executive Directors.

Att: (1)

INTERNATIONAL MONETARY FUND

Western Samoa--Exchange Arrangements

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

(In consultation with the Legal Department)

Approved by Tun Thin and Manuel Guitian

February 9, 1983

In the attached notification dated February 7, 1983 the Western Samoan authorities notified the Fund of a 10 per cent depreciation of the tala, with effect from February 7. The new mid-point exchange rate for the tala is WS\$1.0069 = \$NZ 1, compared with the previous rate of WS\$0.9062 = \$NZ 1.

Western Samoa's exchange rate and other economic policies were discussed on January 26, 1983 by the Executive Board in the context of the 1982 Article IV consultation with Western Samoa. In the course of these discussions, it was noted that the nominal depreciation of the tala that has taken place since 1979 had offset only part of the sharp rises in the relative costs of producers in the export sector. The exchange rate adjustment that is now being notified to the Board is in line with the Executive Directors' recommendation for early and realistic action in the area of exchange rate policy.

Attachment

INTERFUND
WASHINGTON, DC

THE MID-POINT EXCHANGE RATE FOR THE WESTERN SAMOAN TALA WAS CHANGED EFFECTIVE 7 FEBRUARY, 1983 FROM WS TALA 0.9062 EQUALS NZ DOLLAR ONE TO WS TALA 1.0069 EQUALS NZ DOLLAR ONE, REPRESENTING A DEPRECIATION OF 10 PER CENT.

SINCERELY

A.L. HUTCHISON
FINANCIAL SECRETARY
GOVERNMENT OF WESTERN SAMOA

Received in Cable Room: February 7, 1983