

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/83/57

CONFIDENTIAL

March 11, 1983

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

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

Att: (1)

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

Mauritius--Exchange Arrangements

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

(In consultation with the Legal Department)

Approved by J.B. Zulu and S. Kanesa-Thasan

March 10, 1983

The Governor of the Central Bank of Mauritius has notified the Fund of a change in Mauritius' exchange arrangements, as described in the attached communication received on March 8, 1983.

With effect from February 28, 1983 the Mauritian rupee has been delinked from the SDR and pegged to a composite of several currencies reflecting mainly Mauritius' trade pattern. The international value of the rupee has been kept at the same rate as that derived on the basis of the previous rate of SDR 1 = Mau Rs 12. On the basis of the new basket the Bank of Mauritius quotes daily the central rate of the rupee for the pound sterling. Buying and selling rates for the pound sterling are quoted with asymmetrical margins about the central rate of 0.125 per cent and 0.250 per cent, respectively.

A staff team recently visited Port Louis to conduct the 1983 Article IV consultation discussions with Mauritius. A report to the Executive Board of these discussions is being prepared, and will incorporate an appraisal of Mauritius' recent change in exchange arrangements.

Attachment

INTERNATIONAL MONETARY FUND

REFERENCE YOUR TELEX OF 4TH MARCH.

AS REQUIRED UNDER ARTICLE IV, SECTION 2 OF THE ARTICLES OF AGREEMENT I WISH TO NOTIFY YOU THAT WITH EFFECT FROM THE 28TH FEBRUARY, 1983, THE MAURITIUS RUPEE HAS BEEN DELINKED FROM THE SDR AND PEGGED TO A NEW BASKET OF CURRENCIES. THE NEW BASKET IS AS DISCUSSED WITH THE FUND MISSION IN FEBRUARY. THE CHANGEOVER TOOK PLACE WITH THE VALUE OF THE RUPEE KEPT AT SAME RATE AS DERIVED ON THE BASIS OF SDR 1 = RS 12.

THE BANK OF MAURITIUS DERIVES DAILY THE RUPEE/POUND STERLING CENTRAL RATE ON THE BASIS OF THE NEW BASKET. THE BANK OF MAURITIUS BUYING AND SELLING RATES OF POUND STERLING WILL CONTINUE TO BE CALCULATED WITH MARGINS OF 1/8 PER CENT AND 1/4 PER CENT RESPECTIVELY FROM THE CENTRAL RATE.

KINDEST REGARDS

I. RAMPHUL
GOVERNOR
BANK OF MAURITIUS

Received in Cable Room: March 8, 1983