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**FOR  
AGENDA**

EBS/83/73

CONFIDENTIAL

April 18, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Barbados - Compensatory Financing Facility - Repurchase  
Under Paragraph 7 of Decision No. 6224-(79/135)

Attached for the information of the Executive Directors is a paper on a repurchase to be made by Barbados under paragraph 7 of the decision on compensatory financing facility adopted at EBM/79/135 on August 2, 1979.

Att: (1)

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

BARBADOS

Compensatory Financing Facility--Repurchase Under  
Paragraph 7 of Decision No. 6224-(79/135)

Prepared by the Research Department

(In consultation with the Exchange and Trade Relations,  
Treasurer's, Legal, and Western Hemisphere Departments)

Approved by Wm. C. Hood

April 15, 1983

In October 1982, Barbados made a purchase of SDR 12.6 million under Decision No. 6224-(79/135), adopted August 2, 1979, in respect of a shortfall in earnings from merchandise exports and from travel calculated for the 12 months ended June 1982 (EBS/82/171, 9/3/82). That purchase was made under the early drawing procedure by which earnings from merchandise exports were estimated for the last three months (April-June 1982) and earnings from travel were estimated for the last six months (January-June 1982) of the shortfall year.

As shown in the table, actual data now available for the whole shortfall year show that earnings from merchandise exports and travel for the year ended June 1982 amounted to SDR 344.7 million, SDR 1.2 million more than the estimate of SDR 343.5 million used in EBS/82/171. Replacing the data used in EBS/82/171 by the actual data for the year ended June 1982 has the effect of reducing the shortfall for that year from SDR 12.6 million to SDR 11.7 million. Since the purchase amounted to SDR 12.6 million, Barbados was overcompensated to the extent of SDR 0.9 million.

In accordance with paragraph 7 of the Decision on Compensatory Financing of Export Fluctuations (Executive Board Decision No. 6224-(79/135), adopted August 2, 1979), Barbados is being requested to make a prompt repurchase of the amount of overcompensation. Completion of the repurchase will be reported in a subsequent twice-monthly report to Executive Directors on transactions and operations.

Table 1. Barbados: Final Calculation of Shortfall  
and Amount of Overcompensation

(In millions of SDRs)

	1980	1981	Years Ending June		1983	1984
			1982			
			Estimate Used in EBS/82/171	Actual		
					Projected in EBS/82/171	
Merchandise exports plus travel	284.9	346.3	343.5 <u>1/</u>	344.7	381.2	443.3
Shortfall Judgmental			12.6	11.7		
Purchase			12.6			
Overcompensation				0.9 <u>2/</u>		

1/ Based on partly estimated data for the shortfall year. The last 3 months (April-June 1982) were estimated for merchandise exports, and the last 6 months (January-June 1982) were estimated for travel.

2/ Amount by which the purchase (SDR 12.6 million) exceeds the actual shortfall (SDR 11.7 million).