

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/83/108

CONFIDENTIAL

May 25, 1983

To: Members of the Executive Board
From: The Acting Managing Director
Subject: Nicaragua - Overdue Financial Obligations

Executive Directors may recall the notification concerning the repurchase equivalent to SDR 2,125,000 that was due on February 16, 1983 (EBS/83/71, April 1, 1983). This notice also mentioned another repurchase of the same amount that was due on March 16, 1983. 1/ Both repurchases for a total of SDR 4,250,000 have not yet been discharged. A further instalment for the same amount relating to the same purchase was due on May 16, 1983. The authorities have been asked to indicate a value date for payment.

Nicaragua recently paid quarterly charges and charges due in the SDR Department on due dates.

In extensive discussions on the overdue obligations, the authorities stressed the very difficult circumstances that Nicaragua faces at present. Nevertheless, in light of the discussions, the authorities have now informed the Fund that the repurchase due February 16 will be settled in the very near future and the repurchase due March 16 will be paid by early July.

I consider it important that Nicaragua should at an early date be current in the discharge of its obligations to the Fund, and I shall keep Executive Directors informed of further developments. In the meanwhile, I do not propose that the Executive Board take any action on this matter.

1/ The repurchases due in February and March are instalments with respect to a compensatory financing purchase equivalent to SDR 17 million made on May 17, 1979.