

EBS/83/214

CONFIDENTIAL

September 30, 1983

To: Members of the Executive Board

From: The Managing Director

Subject: Guyana - Overdue Payments to the Fund

Executive Directors were informed in EBS/83/156 (July 27, 1983) of the status of Guyana's overdue financial obligations to the Fund totaling SDR 6,656,796. In addition, Guyana is now late in discharging a compensatory financing repurchase of SDR 1,093,750 due July 29, 1983 and quarterly charges of SDR 756,007 due August 4, 1984. On September 2, 1983 Guyana made a payment equivalent to SDR 500,000 in partial discharge of the obligation due April 29, 1983. Following that payment, Guyana's present arrears to the Fund for repurchases and charges total SDR 8,006,553. 1/

The staff team that visited Guyana in August 1983 discussed the matter at length with the authorities and impressed on them the urgency of bringing up-to-date their payments to the Fund. The authorities pointed out their inability to settle the overdue payments immediately because of a total lack of foreign exchange and the fact that they are not in a position to borrow at this time.

The authorities assured the staff that payments toward discharge of the overdue payments would begin to be made shortly from export receipts, and emphasized their intention to settle all overdue payments as soon as possible. As indicated above, the first of these payments was received on September 2, 1983. The staff expects that further payments will be made in the near future out of export receipts toward settlement of the overdue payments.

After due consideration of the circumstances and in view of the opportunity to take up this matter again with the authorities during the Annual Meeting, I do not recommend that the Executive Board take any action at this time, but the staff has advised the authorities that an early prospect for the elimination of the overdue payments was of great importance. I shall keep the Executive Board apprised of developments.

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1/ This total comprises the balance equivalent to SDR 593,750 of a CF repurchase due April 29, 1983, three additional CF repurchases of SDR 2,187,500 due May 31, 1983, SDR 781,250 due July 15, 1983 and SDR 1,093,750 due July 29, 1983; an EF repurchase of SDR 1,078,125 due June 27, 1983; the balance of SDR 1,516,171 in respect of semi-annual charges due July 13, 1983; and quarterly charges of SDR 756,007 due August 4, 1983.