

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/83/257
Supplement 1

CONFIDENTIAL

December 19, 1983

To: Members of the Executive Board
From: The Acting Secretary
Subject: Zaire - 1983 Consultation

Attached for the records of the Executive Directors is the decision taken in concluding the 1983 Article XIV consultation, in the light of the 1983 Article IV consultation, with Zaire at Executive Board Meeting 83/175, December 16, 1983.

Att: (1)

INTERNATIONAL MONETARY FUND

Zaire - 1983 Consultation

Executive Board Decision - December 16, 1983

1. The Fund takes this decision relating to Zaïre's exchange measures subject to Article VIII, Sections 2 and 3, and in concluding the 1983 Article XIV consultation with Zaïre, in the light of the 1983 Article IV consultation with Zaïre conducted under Decision No. 5392-(77/63) adopted April 29, 1977 (Surveillance over Exchange Rate Policies).

2. Zaïre maintains restrictions on payments and transfers for current international transactions, including external payments arrears, and a multiple currency practice resulting from the introduction of a dual exchange rate arrangement as described in EBS/83/257. The Fund welcomes the liberalization of the exchange and trade system effective September 12, 1983, and notes the intention of the authorities to unify the exchange rate system by February 29, 1984. The Fund urges the authorities to remove the remaining restrictions on payments and transfers for current international transactions as soon as possible. In the meantime, in light of Zaïre's adoption of comprehensive policies for balance of payments adjustment supported by the stand-by arrangement contained in EBS/83/257, the Fund grants approval for the maintenance of the multiple currency practice resulting from the dual exchange rate arrangement until the completion of the first review under the stand-by arrangement; the Fund also grants approval for the retention of the existing exchange restrictions, including external payments arrears, until December 31, 1984, or the completion of the 1984 Article IV consultation with Zaïre, whichever is earlier. The Fund urges Zaïre to terminate the bilateral payments agreements with Fund members as soon as possible.