

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

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December 1, 1983

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

There is attached for the information of the Executive Directors a paper on the exchange arrangements of Burundi.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

Burundi--Exchange Arrangements

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

(In consultation with the Legal Department)

Approved by Oumar B. Makalou and W.A. Beveridge

November 30, 1983

In the attached communication the Bank of the Republic of Burundi informed the Fund that, with effect from November 23, 1983, the Burundi franc has been pegged to the special drawing right. As of that date, the value of the Burundi franc was set at FBu 122.70 = SDR 1. Under the previous system, the Burundi franc was pegged to the U.S. dollar since May 3, 1976 at FBu 90 = US\$1; the official buying and selling rates under that system were FBu 89.55 and FBu 90.45 = US\$1, respectively. Taking into account the U.S. dollar/SDR relationship prevailing on November 23, 1983, the above-mentioned measure entailed a 22.9 percent midpoint depreciation of the Burundi franc vis-a-vis the U.S. dollar (29.8 percent in local currency terms).

The staff has been in close contact with the Burundi authorities on the matter of Burundi's exchange rate policy. This subject will be analyzed in the documentation for the 1983 Article IV consultation discussions with Burundi presently under preparation. No action by the Executive Board is required.

Attachment

INTERFUND  
WASHINGTON, DC

NOVEMBER 22, 1983

BY PRESIDENTIAL DECREE OF NOVEMBER 22, 1983 THE GOVERNMENT OF BURUNDI HAS LOWERED THE EXCHANGE RATE FOR THE BURUNDI FRANC AND ALTERED THE MONETARY UNIT LINKAGE. IN FUTURE THE EXCHANGE VALUE OF THE BURUNDI FRANC WILL BE EXPRESSED IN TERMS OF THE INTERNATIONAL MONETARY FUND'S SPECIAL DRAWING RIGHT, THE SDR; SO THAT FBu 1 = SDR 0.008150. THIS 30 PERCENT DEVALUATION RESULTS IN AN AVERAGE EXCHANGE RATE ON NOVEMBER 23, 1983 OF SDR 1 = FBu 122.70.

REGARDS

A. NTAHONKIRIYE  
GOVERNOR BURUNDIBANQUE

Received in Cable Room: November 22, 1983