

November 15, 1994

Statement by the Staff Representative on  
Issues and Developments in the International  
Exchange and Payments System  
Executive Board Seminar 94/10  
November 16, 1994

The following updates some of the main developments since the issuance of the seminar papers on this subject (SM/94/202, 8/1/94 and Supplement 1, and BUFF/94/76, 8/1/94).

1. Acceptance of the obligations of Article VIII

Since July 29, 1994, a further four countries have accepted Article VIII status:

Estonia	08/15/94	EBD/94/150, 09/06/94
India	08/20/94	EBD/94/156, 09/21/94
Paraguay	08/23/94	LBD/94/159, 09/23/94
Western Samoa	10/06/94	EBD/94/117, 10/13/94

These acceptances have brought the total to 97 members as of November 14, 1994, representing 54 percent of the overall Fund membership. Seventy-three developing country Fund members, or 47 percent of the members in this group, have accepted Article VIII obligations as of the same date.

The number of acceptances of obligations in this August-November period is consistent with the accelerated rate since early 1993 (a rate of approximately one member per month).

2. Developments in convertibility

With the completion and issuance just prior to the Annual Meetings of the Annual Report on Exchange Arrangements and Exchange Restrictions, 1994 (AREAER), another year of comprehensive data on exchange controls has become available. Preliminary analysis of this data shows a continuation of the pattern described in SM/94/202. Of the 68 measures reported by Fund member countries in 1993 relating to convertibility for invisibles transactions, and not introduced for reasons of national security, 50 represented liberalizing actions. (Thirteen of the 18 tightening actions arose from a new exchange regime in the CFA Franc Zone.) Similarly, of the 85 actions affecting the capital accounts of members in this period other than a few regulations introduced for prudential purposes, all but 8 were to permit greater freedom for capital transactions.

The staff intends to incorporate a summary of the updated information from the 1994 AREAER in the version of the biennial review paper for publication.