

INTERNATIONAL MONETARY FUND

MASTER FILES

ROOM C-120

11

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December 31, 1985

Effective January 1, 1986 the value of the SDR will be the sum of the values of the following amounts of each currency:

U.S. dollar	0.452
Deutsche mark	0.527
Japanese yen	33.4
French franc	1.02
Pound sterling	0.0893

On December 31, 1985 the Fund made the necessary calculations to convert the agreed percentage weights into units of the five currencies in the SDR valuation basket. The revision of the weights and the amount of each currency was determined in accordance with the Fund's decision of September 17, 1980 (Press Release 80/66) which stipulated that the valuation basket of the SDR be revised with effect from January 1, 1986 and on the first day of each subsequent five-year period in accordance with its terms, unless the Fund's Executive Board decides otherwise. The calculation has been made on the basis of the new weight for each currency, as previously determined (Press Release 85/29), and the average exchange rates for each of the currencies in the basket over the three months ending on December 31, 1985 in such a manner as to ensure that the value of the SDR in terms of these currencies was the same on December 31, 1985 under both the revised valuation and present valuation baskets.

The 1980 decision provided that the SDR basket is to include the currencies of the five member countries of the Fund with the largest exports of goods and services during the five-year period preceding the revision, which in the present revision is the period 1980-84. The weights of the currencies in the basket are to reflect the relative importance of these currencies in international trade and finance during this period, and are determined on the basis of the value of exports of goods and services of the members issuing these currencies and the amounts of their currencies officially held by members of the Fund.

The weights of each currency in the new valuation basket, which were determined earlier this year, are 42 percent for the U.S. dollar, 19 percent for the Deutsche mark, 15 percent for the Japanese yen, and 12 percent each for the French franc and pound sterling. The previous weights based on 1975-79 data were 42 percent for the U.S. dollar, 19 percent for the Deutsche mark and 13 percent each for the Japanese yen, French franc, and pound sterling. The amounts of each currency in the basket that was in effect during 1981-85 were: U.S. dollar 0.54, Deutsche mark 0.46, Japanese yen 34, French franc 0.74, and pound sterling 0.071.