

INTERNATIONAL MONETARY FUND

MASTER FILES

ROOM C-120

11

PRESS RELEASE NO. 83/77

FOR IMMEDIATE RELEASE
December 30, 1983

The International Monetary Fund has been notified by the ten participants in the General Arrangements to Borrow (GAB) of their concurrence in a revision and enlargement of the GAB agreed earlier this year by the Group of Ten and the Fund. With this action--by Belgium, Canada, the Deutsche Bundesbank, France, Italy, Japan, the Netherlands, the Sveriges Riksbank, the United Kingdom, and the United States--the revised GAB has become effective, as of December 26, 1983.

The GAB, as revised and enlarged, will substantially increase the lines of credit available to the Fund under these arrangements to SDR 17 billion from approximately SDR 6.4 billion; for the first time permit the Fund, under certain circumstances, to extend GAB resources to members that are not GAB participants; authorize participation of the Swiss National Bank; and permit certain borrowing arrangements between the Fund and nonparticipating members to be associated with the GAB. Saudi Arabia and the Fund have already entered into such an agreement, which also has come into effect with the revised GAB. Under it, the Fund will be able to borrow up to a total of SDR 1.5 billion to assist in financing purchases by any member for the same purposes and under the same circumstances prescribed in the revised GAB.

The Fund will continue to be able to call on GAB resources for any drawings by participants when supplementary resources are needed to forestall or cope with an impairment of the international monetary system. Also under such circumstances, the Fund may call on GAB resources to finance drawings by Fund members that are not participants provided those drawings are made under policies of the Fund requiring adjustment programs. Calls on the GAB may be made to finance purchases by non-participants if the Fund faces an inadequacy of resources to meet actual and expected requests for financing that reflect the existence of an exceptional situation associated with balance of payments problems of members of a character and aggregate size that would threaten the stability of the international monetary system.

The amounts of the increased credit arrangements for the 10 participants and the Swiss National Bank are shown in the attached table.

Attachment

ATTACHMENT

Participants and Amounts of Credit Arrangements
Under the GAB

Participant	Amount (in SDRs)
United States	4,250,000,000
Deutsche Bundesbank	2,380,000,000
Japan	2,125,000,000
France	1,700,000,000
United Kingdom	1,700,000,000
Italy	1,105,000,000
Canada	892,000,000
Netherlands	850,000,000
Belgium	595,000,000
Sveriges Riksbank	382,000,000
Swiss National Bank	<u>1,020,000,000</u> <u>1/</u>
Total	17,000,000,000

1/ With effect from the date the Swiss National Bank adheres to the General Arrangements to Borrow.