EBD/84/21
Correction 1

February 16, 1984

To: Members of the Executive Board

From: The Acting Secretary

Subject: Malawi - Exchange Arrangements

The Malawi authorities have advised the following revision to EBD/84/21 (1/25/84):

Page 1, para. 1, line 8: for "MK 1.35501 = US$1,"
read "MK 1.35675 = US$1,"

A corrected document is attached.

Att: (1)

Other Distribution:
Department Heads

EBD/84/21
Corrected: 2/16/84

INTERNATIONAL MONETARY FUND

Malawi--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 S. Kanesa-Thasan

January 25, 1984

The Governor of the Reserve Bank of Malawi has notified the Fund in the attached communication dated January 17, 1984 of a change in Malawi's exchange arrangements. With effect from January 17, 1984, the exchange rate of the Malawi kwacha has been depreciated, and has also been delinked from the SDR and pegged to a new basket of currencies, the composition of which reflects Malawi's trade with its major trading partners. On January 17, the new midpoint exchange rate for the kwacha was MK 1.35675 = US$1, representing a 3.2 percent depreciation with respect to the rate of MK 1.31113 = US$1 calculated for January 17 on the basis of the previous peg to the SDR.

A staff team is now in Lilongwe to complete a review under the current extended arrangement. The staff report on the discussions will contain a discussion of Malawi's exchange rate policies. In the meantime no action by the Executive Board is proposed.

Attachment

ATTACHMENT

TO: INTERFUND
WASHINGTON, DC

FROM: RESERVE BANK OF MALAWI
LILONGWE

17TH JANUARY, 1984

PLEASE BE INFORMED THAT THE MALAWI KWACHA HAS WITH EFFECT FROM JANUARY 17, 1984 BEEN PEGGED TO A BASKET OF SEVEN CURRENCIES.

BEST REGARDS.

J.Z.U. TEMBO
GOVERNOR
RESERVE

Received in Cable Room: January 17, 1984