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**FOR
AGENDA**

EBS/85/47
Correction 1

CONFIDENTIAL

March 22, 1985

To: Members of the Executive Board
From: The Secretary
Subject: The World Economy to 1990 - Prospects and Issues

The memorandum item "Other net external borrowing, excluding arrears" was included erroneously in Table 6 of EBS/85/47 (3/11/85). "Other net external borrowing," shown as a component of "Net External Borrowing," already excludes arrears. Changes in arrears are separately identified under "Reserve-Related Liabilities."

Corrected pages 33 and 34 are attached.

Att: (2)

Table 6. Indebted Developing Countries--By Class of Creditor: Current Account Financing, 1977-86

(In billions of U.S. dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
<u>Indebted developing countries</u>										
Current account deficit <u>2/</u>	36.9	56.8	61.7	77.0	112.6	102.9	59.4	37.9	38.2	36.7
Non-debt-creating flows	14.9	17.6	24.7	24.4	28.0	28.6	22.9	22.7	25.1	26.9
Official transfers	8.3	8.3	11.7	12.5	13.5	13.0	12.9	13.1	14.8	15.4
Direct investment flows, net	6.0	7.9	10.1	9.4	14.0	12.8	9.9	9.1	9.9	11.0
SDR allocations, valuation adjustments, and gold monetization	0.6	1.4	2.9	2.5	0.5	2.9	0.1	0.5	0.5	0.5
Use of reserves	-10.7	-13.5	-21.5	-18.4	1.6	14.4	-9.5	-22.3	-11.2	-11.0
Asset transactions, net <u>3/</u>	-6.2	-4.9	-7.8	-7.8	-17.4	-12.9	-8.2	-5.8	-9.1	-11.2
Recorded errors and omissions <u>4/</u>	-6.5	-4.9	-3.4	-19.1	-19.7	-24.9	-11.4	-3.6	--	--
Net external borrowing	45.5	62.5	69.7	97.9	120.1	97.7	65.7	46.9	33.3	32.0
Reserve-related liabilities	3.4	1.5	-0.8	4.2	8.9	19.2	17.3	3.7	-5.0	-2.6
Liabilities constituting foreign authorities' reserves <u>5/</u>	2.0	1.4	-1.3	1.9	0.9	1.1	-1.3	-0.2	0.9	2.1
Use of Fund credit <u>6/</u>	-0.2	-0.4	0.2	1.5	6.0	7.0	11.0	5.3	1.8	-5.4
Arrears	1.6	0.5	0.4	0.8	2.0	11.1	7.5	-1.3	-7.7	0.8
Long-term borrowing from official creditors, net <u>7/</u>	13.8	16.2	18.1	24.1	27.1	30.4	29.3	29.5	28.5	24.4
Other net external borrowing <u>8/</u>	28.2	44.8	52.4	69.7	84.1	48.1	19.1	13.6	9.8	10.2
Long-term	13.5	34.9	42.8	39.3	60.9	34.7	36.4	24.5	31.3	8.1
From banks <u>9/</u>	8.1	27.7	29.7	23.9	32.8	21.4	38.0	23.0	31.3	8.0
Other	5.4	7.3	13.1	15.4	28.2	13.2	-1.5	1.5	--	0.1
Short-term	14.7	9.8	9.6	30.4	23.1	13.4	-17.3	-10.9	-21.4	2.1
Of which,										
<u>Market borrowers</u>										
Current account deficit <u>3/</u>	19.5	32.8	30.3	35.6	72.2	73.6	29.8	8.4	8.6	5.8
Non-debt-creating flows, net	5.8	8.7	11.1	10.1	13.1	15.5	9.8	9.5	10.2	11.2
Official transfers	0.8	1.0	1.2	1.3	-1.8	1.9	2.2	2.2	2.3	2.4
Direct investment flows, net	4.5	6.4	7.8	7.6	11.1	10.5	7.5	6.8	7.5	8.3
SDR allocations, valuation adjustments and gold monetization	0.6	1.4	2.2	1.2	0.2	3.0	--	0.4	0.4	0.5
Use of reserves	-6.0	-10.5	-18.2	-17.3	2.4	22.3	-4.6	-18.8	-9.3	-9.4
Asset transactions, net <u>3/</u>	-3.8	-2.9	-4.1	-4.7	-14.1	-9.9	-4.1	-3.9	-7.1	-8.9
Recorded errors and omissions <u>4/</u>	-4.6	-4.3	-3.5	-19.7	-20.5	-24.2	-10.5	-2.8	--	--
Net external borrowing	28.1	41.8	45.0	67.1	91.3	70.0	39.3	24.3	14.8	12.9
Reserve-related liabilities	0.5	-0.9	-1.9	0.8	2.4	13.8	14.8	2.3	-5.2	-2.1
Liabilities constituting foreign authorities' reserves <u>5/</u>	0.6	--	-1.5	0.2	0.5	1.6	-1.1	-0.2	-0.1	-0.1
Use of Fund credit <u>6/</u>	-0.1	-0.9	-0.4	0.6	1.8	3.0	7.3	4.3	3.1	-2.4
Arrears	--	--	--	--	--	9.2	8.6	-1.7	-8.1	0.3
Long-term borrowing from official creditors, net <u>7/</u>	5.5	6.5	5.3	6.9	8.4	11.7	15.5	11.5	14.0	10.1

Table 6 (concluded). Indebted Developing Countries--By Class of Creditor:
Current Account Financing, 1977-86 ^{1/}

(In billions of U.S. dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Other net external borrowing ^{8/}	22.1	36.2	41.5	59.5	80.6	44.5	9.0	10.5	6.0	5.0
Long-term	10.6	29.9	32.5	31.7	57.8	31.8	27.0	24.0	29.7	4.6
From banks ^{9/}	6.3	23.2	20.9	18.9	31.0	19.8	30.1	23.2	31.7	5.2
Other	4.2	6.7	11.5	12.8	26.8	12.0	-3.1	0.8	-2.0	-0.6
Short-term	11.6	6.3	9.1	27.8	22.8	12.7	-18.0	-13.5	-23.7	0.4
Official borrowers										
Current account deficit ^{2/}	8.4	11.5	12.9	16.9	19.3	18.0	15.4	16.8	17.2	17.0
Non-debt-creating flows, net	4.9	4.6	7.2	8.0	8.5	7.8	7.1	7.0	7.1	7.2
Official transfers	4.2	3.9	6.3	7.1	7.4	7.2	6.5	6.4	6.6	6.6
Direct investment flows, net	0.7	0.7	0.7	0.5	1.0	0.7	0.5	0.5	0.5	0.6
-SDR allocations, valuation adjustments, and gold monetization	--	--	0.2	0.4	0.1	--	--	0.1	--	--
Use of reserves	-1.9	-0.6	-0.9	-0.5	0.3	0.8	-0.9	1.5	1.4	1.3
Asset transactions, net ^{3/}	-0.4	-0.2	-0.7	-0.9	-0.6	-0.5	-0.5	-0.5	-0.4	-0.4
Recorded errors and omissions ^{4/}	--	0.9	--	-0.3	0.3	-1.1	-0.6	--	--	--
Net external borrowing	5.8	6.8	7.4	10.7	10.8	10.9	10.3	8.9	9.0	9.0
Reserve-related liabilities	0.3	0.8	0.3	2.2	2.8	3.5	1.8	0.8	0.1	-0.7
Liabilities constituting foreign authorities' reserves ^{5/}	0.1	0.3	--	1.5	0.6	0.3	-0.1	0.1	--	0.2
Use of Fund credit ^{6/}	--	0.2	0.5	0.2	1.8	1.3	1.6	0.4	-0.4	-1.3
Arrears	0.1	0.2	-0.2	0.5	0.5	1.9	0.3	0.3	0.4	0.4
Long-term borrowing from official creditors, net ^{7/}	3.1	4.2	6.5	8.4	9.2	9.2	7.7	9.0	7.1	9.5
Other net external borrowing ^{8/}	2.4	1.9	0.6	0.1	-1.2	-1.8	0.8	-0.9	1.8	0.2
Long-term	1.5	1.5	0.1	--	-0.8	-0.9	1.1	-0.3	0.9	0.1
Short-term	0.9	0.3	0.4	0.1	-0.4	-0.9	-0.3	-0.6	0.9	0.1

Note: Except where otherwise footnoted, estimates shown here are based on national balance of payments statistics, which are not always easily reconcilable with year-to-year changes in either debtor- or creditor-reported debt statistics, mainly because the balance of payments statistics include valuation adjustments as well as changes in liabilities.

- ^{1/} For classification of countries in groups shown here, see the introduction to this appendix.
^{2/} Net total of balances on goods, services, and private transfers, as defined in the Fund's Balance of Payments Statistics (with sign reversed).
^{3/} Pertains primarily to export credit.
^{4/} Positioned here on the presumption that estimates reflect primarily unrecorded capital outflows.
^{5/} Comprises short-term borrowing by monetary authorities from other monetary authorities.
^{6/} Projected use of Fund credit does not take into account prospective programs.
^{7/} Estimates, based on debt statistics reported in Appendix Tables 45 and 46, of net disbursements by official creditors (other than monetary institutions).
^{8/} Residually calculated. Except for minor discrepancies in coverage, amounts shown reflect almost exclusively net external borrowing from private creditors.
^{9/} Refers only to long-term lending by banks guaranteed by government of debtor country. Bank lending also accounts for large fractions of unguaranteed long-term flows (included in "other" long-term flows) and short-term flows.