

NEWS BRIEF

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International Monetary Fund
Washington, D. C. 20431 USA

Korea Decides to Make Repurchases Under SRF Totaling US\$2.8 Billion

Michel Camdessus, Managing Director of the International Monetary Fund (IMF), said: " Since entering into a Stand-By Arrangement with the IMF on December 4, 1997, Korea has significantly strengthened its external position and has built up usable reserves to about US\$47 billion. Korea has also successfully lengthened the maturity structure of its external debt, while the record current account surplus has allowed the won to strengthen considerably during 1998. In light of Korea's reduced vulnerability at this time, it is entirely appropriate that the country begins to repay resources borrowed from the IMF. I am therefore pleased that the Korean government is in a position to make Supplemental Reserve Facility (SRF) repurchases as expected of US\$2.8 billion in December 1998. I believe that the international financial community will judge this repayment favorably and that it marks an important watershed in the process of Korea's emergence from last year's foreign exchange crisis. The IMF, of course, stands ready to assist all its members, including Korea, should there be a need for new borrowings in the future."

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