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Camdessus Welcomes Korea's Request for IMF Assistance

Michel Camdessus, the Managing Director of the International Monetary Fund (IMF), said today following the Korean authorities' announcement that they have asked the IMF for assistance: "I welcome today's announcement by the Korean authorities that they intend to enter into a financial arrangement with the IMF, and I have already assured the Korean authorities of our full support. The management of the IMF has been in contact with the Korean authorities in recent weeks on ways to overcome the financial crisis, which has arisen despite sound macroeconomic trends. Financial market stabilization measures were announced two days ago. They provide a good basis to begin the needed restructuring of the financial system. This restructuring, together with further structural measures as well as an appropriate strengthening of monetary and fiscal policies would provide a sound basis for a comprehensive package that could be supported by the IMF and the international community.

"An IMF mission will arrive in Seoul next week to begin discussions with the Korean authorities. We will work closely and intensively with the authorities in their finalization of a strong program which I could forward to the Executive Board for approval under the IMF's emergency financing mechanism (EFM).

"I am confident that the authorities are resolved to put in place a strong adjustment program that will restore confidence, recreate the ground for sustainable growth, and contribute significantly to financial stability in the region," Camdessus said.