

Program Under Extended Arrangement

1. Pakistan has consulted with the Fund in accordance with paragraph 4c of the extended arrangement (EBS/81/222, Sup. 1, 12/4/81) and paragraph 3 of the letter dated November 1, 1981 attached thereto, in order to reach understandings with the Fund regarding policies and measures that Pakistan will pursue and to establish performance criteria subject to which purchases may be made by Pakistan during the period after November 23, 1982 through the end of the extended arrangement.

2. The letter dated January 5, 1983 from the Minister of Finance of Pakistan together with the annexed memorandum shall be attached to the extended arrangement for Pakistan, and the letter dated November 1, 1981 together with the annexed memorandum shall be read as supplemented and modified by the letter dated January 5, 1983 together with the annexed memorandum.

3. Accordingly, Pakistan will not make purchases under the extended arrangement:

- (a) during any period after November 23, 1982 in which
 - (i) the data at the end of the preceding period indicate that the ceilings on the increase in (1) net claims on Government or (2) net domestic assets of the domestic banking system described in paragraphs 6e and 7a, respectively, and Table 1 of the memorandum annexed to the letter of January 5, 1983, or
 - (ii) the ceilings on the contracting of government or government-guaranteed foreign debt described in paragraph 8f of the same memorandum are not observed; or

(b) after August 1, 1983 if any understandings deemed by the Fund to be necessary have not been reached pursuant to the review mentioned in the second and third sentences of paragraph 3 of the letter dated January 5, 1983; or

(c) after August 31, 1983, if the performance criteria established in consultation with the Fund as contemplated in paragraph 3 of the attached letter of January 5, 1983 are not being observed.

4. Purchases under the extended arrangement for Pakistan shall not, without the consent of the Fund, exceed the equivalent of SDR 635 million until May 16, 1983; the equivalent of SDR 730 million until August 15, 1983; and the equivalent of SDR 825 million until September 30, 1983.

5. The Fund finds that, in view of Pakistan's intention expressed in the last sentence of paragraph 8e of the Economic Policy Memorandum of the Government of Pakistan for 1982/83 (EBS/83/3, 1/6/83), no additional understandings other than those stated in this decision are necessary regarding further purchases under the arrangement.

Decision No. 7320-(83/28), adopted
February 4, 1983