

Review Under Stand-By Arrangement

1. Romania has consulted with the Fund in accordance with paragraph 5(c)(ii) of Executive Board Decision No. 7144-(82/86) (EBS/82/73, Sup. 2, 6/25/82), and paragraph 19 of the letter from the Minister of Finance of April 20, 1982 in order to present its economic program for 1983 and reach understandings regarding circumstances in which further purchases can be made.

2. The attached letter from the Minister of Finance dated February 11, 1983, setting forth the objectives and policies which the Government of Romania will pursue during 1983, shall be annexed to the stand-by arrangement for Romania, and the letters of May 26, 1981, April 20, 1982, and November 9, 1982 shall be read as supplemented and modified by the letter of February 11, 1983.

3. Accordingly, Romania will not make purchases under this stand-by arrangement:

- a. during any period after December 31, 1982 in which the data at the end of the preceding period indicate that
 - (i) the targets for the trade balance in convertible currencies described in paragraph 3 of the annexed letter of February 11, 1983, have not been observed; or
 - (ii) the limit on contracting or guaranteeing of external debt in the maturity range of one to five years or the limits on outstanding short-term foreign debt in convertible currencies described in paragraph 4 of the same letter have not been observed; or
 - (iii) the increase in gross convertible international reserves described in paragraph 4 of the same letter has not taken place; or
 - (iv) the limits on net domestic assets of the banking system described in paragraph 7 of the same letter have not been observed; or
 - (v) the intentions concerning external payments arrears described in paragraph 4 of the same letter have not been carried out; or
- b. (i) during any period after July 31, 1983 unless the first review referred to in paragraph 13 of the same letter has been carried out, or
 - (ii) during any period after November 30, 1983 unless the second review referred to in paragraph 13 of the same letter has been carried out, or
- c. during any period after December 31, 1983 until suitable performance criteria have been established in consultation with the Fund in light of paragraph 13 of the same letter, or after such performance criteria have been established, while any of these criteria are not being observed.

4. Purchases under the stand-by arrangement shall not, without the consent of the Fund, exceed SDR 817.5 million through December 31, 1983, provided that purchases shall not exceed SDR 542 million until the Fund has decided that satisfactory arrangements have been made for the rescheduling of debt service payments falling due in 1983. At the time of that decision, the Fund shall establish the phasing for the remainder of 1983.

5. In light of the letter of February 1983, the Fund waives, for the purpose of purchases available through December 31, 1983,

the application of the performance criteria in paragraph 4(c)(i) of the stand-by arrangement in EBS/81/111 and in paragraph 5(a)(iii) of Decision No. 7144-(82/86), adopted June 21, 1982, with respect to external payments arrears.

Decision No. 7375-(83/56), adopted
March 30, 1983