

FOR
AGENDA

SM/82/151
Supplement 1

CONTAINS CONFIDENTIAL
INFORMATION

October 8, 1982

To: Members of the Executive Board

From: The Acting Secretary

Subject: Honduras - Staff Report for the 1982 Article IV
Consultation

The attached draft decision on exchange measures subject to Article VIII, in the light of the 1982 Article IV consultation with Honduras is proposed for adoption by the Executive Board

It is proposed that this subject, Honduras' requests for a stand-by arrangement (EBS/82/179, 10/7/82) and a purchase under the compensatory financing facility (EBS/82/184, 10/12/82), be brought to the agenda for discussion on Friday, November 5, 1982.

Att: (1)

Other Distribution:
Department Heads

V. Proposed Decision

1. The Fund takes this decision relating to Honduras' exchange measures subject to Article VIII, Sections 2 and 3 and, in the light of the 1982 Article IV consultation conducted under Decision No. 5392-(77/63), adopted April 29, 1977 (Surveillance over Exchange Rate Policies).

2. Since late 1981, Honduras has applied a priority scheme for the approval of exchange requests, as described in SM/82/151 and SM/82/156, which has given rise to payments arrears in respect of payments and transfers for current international transactions. The Fund notes the intention of Honduras to remove this restriction as soon as possible, and in the light of the adoption by Honduras of policies for balance of payments adjustment, for which the support of a stand-by arrangement from the Fund is being requested, the Fund grants approval for the retention of this restriction until the completion of the next Article IV consultation, or December 31, 1983, whichever is earlier.