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IMF Executive Board Extends Argentina's Repayment Expectations

The Executive Board of the International Monetary Fund (IMF) today approved a one-year extension of Argentina's repayment expectations to the IMF in the total amount equivalent to SDR 779 million (about US\$1.1 billion) arising in 2004 on September 20, October 15, November 22, December 9 and December 20, and on January 17, 2005. The repayments will now fall due exactly one year after these dates.

IMF policy on repayment expectations allows for such extension where the member's external position is not sufficiently strong for it to repay early without undue hardship or risk. Because a decision to approve an extension of repayment expectations is a technical one, it is not based on an assessment of the authorities' economic program. During the four-month period in question, Argentina will still face obligations to the Fund of about SDR 1 billion (about US\$1.46 billion). The authorities are committed to remaining current in payments to the Fund.

During the meeting, Argentina was urged to decisively address all the outstanding structural issues in their program, and to complete a comprehensive and sustainable debt restructuring. Contacts between the IMF and the authorities on the policy framework going forward will continue.