

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 84/109

3:00 p.m., July 17, 1984

J. de Larosière, Chairman
R. D. Erb, Deputy Managing Director

Executive Directors

J. de Grootte
B. de Maulde

M. Finaish
T. Hirao
J. E. Ismael

A. Kafka
G. Laske
G. Lovato
R. N. Malhotra
Y. A. Nimatallah
J. J. Polak
A. R. G. Prowse
G. Salehkhoul

J. Tvedt
N. Wicks

Alternate Executive Directors

J. K. Orleans-Lindsay, Temporary

X. Blandin
M. Teijeiro
M. K. Rush

T. Yamashita

L. Leonard

N. Coumbis

O. Kabbaj
E. I. M. Mtei
J. L. Feito

T. A. Clark
Wang E.

J. W. Lang, Jr., Acting Secretary
R. S. Franklin, Assistant

1. Staff Compensation Review - 1984 Adjustment Page 3
2. Foreign Direct and Portfolio Investment in Developing
Countries - Type of Discussion Page 4
3. Executive Board Travel Page 5

Also Present

Administration Department: R. Tenconi, Director; D. A. Anderson, T. Cole, A. D. Goltz, G. E. Gondwe, J. D. Huddleston, H. J. O. Struckmeyer.

Treasurer's Department: R. Noë. Personal Assistant to the Managing Director: S. P. Collins. Advisors to Executive Directors: H. A. Arias, L. K. Doe, A. Steinberg. Assistants to Executive Directors: R. L. Bernardo, J. Bulloch, M. Camara, M. B. Chatah, C. Flamant, I. Fridriksson, H. Kobayashi, S. Kolb, E. Landis, G. W. K. Pickering, Shao Z., A. J. Tregilgas, M. A. Weitz.

1. STAFF COMPENSATION REVIEW - 1984 ADJUSTMENT

The Executive Directors, meeting in restricted session, continued from the previous meeting (EBM/84/108, 7/16/84) their consideration of the Managing Director's recommendations for the 1984 staff compensation review (EBAP/84/122, 6/4/84; Sup. 1, 6/26/84; and Sup. 2, 7/13/84). They also had before them a paper prepared by the Staff Association Committee concerning the 1984 staff compensation review (EBAP/84/137, 6/28/84) and a paper on recent recruitment and retention experience (EBAP/84/121, 6/4/84).

At the conclusion of the discussion the Executive Board adopted the following decision: 1/

1. Fund salaries will be increased by 1.2 percent for Ranges A-E staff and by 4.0 percent for Ranges F-M staff with effect from May 1, 1984. The adjustments will be applied to each salary range in accordance with the attached salary scale. (See Annex.)

2. An amount equal to 1.6 percent of the April 30, 1984 wage bill for Ranges F-M will be set aside. In the event that the results of the current career streams exercise point to a need for adjustments in salary levels for selected positions or for entire career streams, as much as required of the amount set aside will be made available for that purpose. For Ranges A-E staff, an amount equal to 0.5 percent of their April 30, 1984 wage bill will be similarly set aside to be used if necessary for adjustments in connection with the findings of the career streams exercise. Any portion of the 1.6 percent for Ranges F-M or the 0.5 percent for Ranges A-E which may be used as a result of the career streams exercise will be granted with effect from May 1, 1984.

3. The estimated cost of the increases under paragraph 1 above would amount to \$4,044,000 for FY 1985 and appropriations for the Administrative Budget for FY 1985 shall be increased as follows:

Budget Category	Approved Budget	Additional Appropriations	Revised Budget
1. Personnel expenses			
A. Salaries	\$88,540,000	\$2,410,000	\$90,950,000
B. Other personnel expenses	57,950,000	<u>1,630,000</u>	59,580,000
		\$4,040,000	

1/ The text of the decision was approved on July 19, 1984 on a lapse of time basis (EBAP/84/156, 7/18/84; EBM/84/112, 7/20/84).

The maximum contingent liability to the FY 1985 budget arising from paragraph 2 above would be:

A. Salaries	\$ 970,000
B. Other personnel expenses	<u>660,000</u>
	\$1,630,000

Adopted July 17, 1984

2. FOREIGN DIRECT AND PORTFOLIO INVESTMENT IN DEVELOPING COUNTRIES -
TYPE OF DISCUSSION

Mr. Nimatallah and Mr. Malhotra asked that the Board discussion of the staff paper on foreign direct and portfolio investment in developing countries (SM/84/145, 6/26/84), scheduled for July 18, be held as a seminar rather than as a formal Board meeting.

Mr. Wicks, supported by Mr. Laske, Mr. Prowse, Mr. Leonard, and Ms. Bush, indicated his preference for a formal Board meeting to ensure that appropriate weight was given to any guidance that the Board might wish to provide.

Following a brief discussion, it was agreed that the paper on foreign direct and portfolio investment in developing countries would be discussed in a formal Board meeting but that if the Board wished to provide guidance in the matter, that guidance would be expressed in the form of a Board decision.

DECISION TAKEN SINCE PREVIOUS BOARD MEETING

The following decision was adopted by the Executive Board without meeting in the period between EBM/84/108 (7/16/84) and EBM/84/109 (7/17/84).

3. EXECUTIVE BOARD TRAVEL

Travel by an Executive Director as set forth in EBAP/84/151 (7/13/84) is approved.

APPROVED: April 3, 1985

LEO VAN HOUTVEN
Secretary

IMF Salary Scale

(Top lines are the rates effective May 1, 1984.
Rates effective May 1, 1983 are shown in parentheses)

Range	Minimum	Maximum
A	\$12,810 (12,660)	\$19,570 (19,340)
B	\$15,020 (14,840)	\$22,470 (22,200)
C	\$17,300 (17,090)	\$25,530 (25,230)
D	\$19,570 (19,340)	\$28,940 (28,600)
E	\$22,470 (22,200)	\$32,540 (32,150)
F	\$27,620 (26,560)	\$41,430 (39,840)
G	\$34,010 (32,700)	\$49,250 (47,360)
H	\$41,430 (39,840)	\$57,430 (55,220)
I	\$49,250 (47,360)	\$66,020 (63,480)
J	\$55,990 (53,840)	\$77,730 (74,740)
K	\$63,410 (60,970)	\$85,470 (82,180)
L	\$67,760 (65,150)	\$89,350 (85,910)
M	\$74,720 (71,850)	\$95,330 (91,660)

Note: Increases in individual salaries within each range are to be rounded to the nearest \$10.00.