

EBS/81/223

CONFIDENTIAL

November 16, 1981

To: Members of the Executive Board

From: The Secretary

Subject: Grenada - Compensatory Financing Facility - Repurchase  
Under Paragraph 7 of 1979 Decision

The attached paper on Grenada's repurchase under paragraph 7 of the 1979 decision on compensatory financing facility is circulated for the information of the Executive Directors.

Att: (1)



CONFIDENTIAL

INTERNATIONAL MONETARY FUND

GRENADA

Compensatory Financing Facility -  
Repurchase Under Paragraph 7 of 1979 Decision

Prepared by the Research Department

(In consultation with the Western Hemisphere,  
Legal, and Treasurer's Departments)

Approved by Charles F. Schwartz

November 13, 1981

In April 1981, Grenada made a purchase of SDR 2.1 million under the compensatory financing facility in respect of an export shortfall for the calendar year 1980 (EBS/81/19, 2/3/81). That purchase was based on the early drawing procedure by which exports for the last three months (September-December) of the shortfall year were estimated. In requesting the purchase, the authorities stated that they would make a prompt repurchase of any amount purchased on the basis of partly estimated export data that exceeded the amount that could have been purchased had actual data been used in calculation of the shortfall.

Actual data now available show that exports in the shortfall year amounted to SDR 12.6 million, which is SDR 0.9 million more than the estimate used in EBS/81/19 (Table). Replacing the estimated data by actual data for 1980 has the effect of reducing the shortfall of SDR 2.1 million mentioned in EBS/81/19 by SDR 0.7 million to SDR 1.4 million. The amount of the purchase was SDR 2.1 million and consequently Grenada was overcompensated to the extent of SDR 0.7 million.

In accordance with paragraph 7 of the 1979 Compensatory Financing decision (Executive Board Decision No. 6224-(79/135), adopted August 2, 1979), Grenada is being requested to make a prompt repurchase of the amount of overcompensation. Completion of the repurchase will be reported in a subsequent twice-monthly report to Executive Directors on transactions and operations.

Table. Grenada: Final Calculation  
of Shortfall and Amount of Overcompensation

(In millions of SDRs)

	Calendar Years				Projection for 1981-82 in EBS/81/19
	1978	1979	1980		
			Estimated in EBS/81/19	Actual	
Exports <u>1/</u>	13.2	16.1	11.7 <u>2/</u>	12.6	14.1
Shortfall Judgmental			2.1	1.4	
Purchase				2.1	
Overcompensation				0.7	

1/ Excludes re-export.

2/ Based on the estimated data for September-December, 1980.