



EBS/82/204
Supplement 1

CONFIDENTIAL

December 30, 1982

To: Members of the Executive Board

From: The Acting Secretary

Subject: Swaziland - Purchase Transaction - Buffer Stock Financing
Facility - Special Stocks Under the International Sugar
Agreement

Attached is the request from Swaziland for a purchase equivalent to SDR 975,000 referred to in EBS/82/204 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Monday, January 3, 1983.

Att: (1)

CENTRAL BANK OF SWAZILAND

DECEMBER 30, 1982

TO: INTERFUND - WASHINGTON

ATTENTION: TREASURER'S DEPARTMENT

AS FISCAL AGENCY FOR THE GOVERNMENT OF SWAZILAND WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 975,000 IN ACCORDANCE WITH THE TERMS OF ARTICLE V, SECTION 3 OF FUND AGREEMENT AND THE PROVISIONS OF PARAGRAPH 1 OF DECISION NO. 2772-(69/47), ADOPTED JUNE 25, 1969 AS AMENDED BY DECISION NO. 4913-(75/207) ADOPTED DECEMBER 24, 1975 AND DECISION NO. 5597-(77/171), ADOPTED DECEMBER 16, 1977. IN THIS CONNECTION WE STATE THAT WE WILL COOPERATE WITH THE INTERNATIONAL MONETARY FUND IN AN EFFORT TO FIND, WHERE REQUIRED, APPROPRIATE SOLUTIONS FOR OUR BALANCE OF PAYMENT DIFFICULTIES.

PLEASE CREDIT SWAZILAND'S SDR ACCOUNT WITH SDR 975,000 ON THE VALUE DATE OF PURCHASE.

WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF THE FUND AGREEMENT AND RELATES TO THE MINIMUM LEVEL OF STOCKS THAT SWAZILAND, AS AN EXPORTING MEMBER OF THE INTERNATIONAL SUGAR AGREEMENT, WAS OBLIGATED TO ACCUMULATE BY JUNE, 1982.

THE EQUIVALENT OF DESIRED PURCHASE NAMELY SWAZILAND EMALANGENI 1,150,681.44 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT WITH OURSELVES ON THE VALUE DATE OF PURCHASE.

WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE WILL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE. WE FURTHER STATE THAT SWAZILAND WILL REPURCHASE IN ACCORDANCE WITH PARAGRAPH 1 OF DECISION NO. 5703-(78/39), ADOPTED MARCH 22, 1978 AS AMENDED BY DECISION NO. 6861-(81/81), ADOPTED MAY 13, 1981. FURTHERMORE WE STATE THAT SWAZILAND WILL REPURCHASE IN ACCORDANCE WITH PARAGRAPH 6 OF DECISION NO. 5597-(77/171), ADOPTED DECEMBER 16, 1977, IT BEING UNDERSTOOD THAT REPURCHASE UNDER PARAGRAPH 6(1) IS TO BE MADE WITHIN 90 DAYS FROM THE RELEASE OF STOCKS FROM THE CONTROL OF THE INTERNATIONAL SUGAR ORGANIZATION AND UNDER PARAGRAPH 6(II) PROMPTLY, I.E., WITHIN A FEW DAYS, IN CASE THE LOAN IN FOREIGN EXCHANGE FOR WHICH THE SPECIAL STOCK IS PLEDGED AS COLLATERAL AND PURCHASES OUTSTANDING EXCEED THE AMOUNT THAT SWAZILAND HAS PURCHASED UNDER THE DECISION. IN THIS CONNECTION WE SHALL INFORM THE INTERNATIONAL MONETARY FUND WITHIN 15 DAYS OF ANY LOANS FOR WHICH THE SPECIAL STOCK HAS BEEN USED AS COLLATERAL.

REGARDING SERVICE CHARGE PLEASE DEBIT SWAZILAND'S SDR ACCOUNT WITH SDR 4,875 ON VALUE DATE OF PURCHASE.

Received in Cable Room December 30, 1982.