

INTERNATIONAL MONETARY FUND

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The International Monetary Fund has agreed to a purchase equivalent to SDR 1.6 million by the Government of the Solomon Islands under the compensatory financing facility in respect of a shortfall in merchandise export earnings for the 12-month period ended June 1982.

After expanding by 36 per cent in 1978/79 and by 49 per cent in 1979/80, total export earnings grew by only 3 per cent in 1980/81 and fell by 1 per cent in the 12-month period ended June 1982. The shortfall in total exports is attributed to copra, the Solomon Islands' traditional export crop, and was entirely due to lower prices, reflecting the general decline in commodity prices over the past two years.

The Solomon Islands' quota in the Fund is SDR 3.2 million, and its outstanding financial obligations to the Fund resulting from past operations and transactions currently total the equivalent of SDR 0.8 million.