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International Monetary Fund  
Washington, D.C. 20431 USA

### **Participants in New Arrangements to Borrow and Potential New Participants Discuss Expansion and Reform of IMF Credit Line**

The 26 participants in the [New Arrangements to Borrow \(NAB\)](#) met today with representatives of other IMF member countries.

They discussed how to follow up on the G-20 Leaders' London Summit call for the NAB to be expanded and increased by up to US\$500 billion, and to be made more flexible. The Chair of the NAB, Mr. Takehiko Nakao said "the group made good progress toward this goal and agreed to continue working with the aim of reaching agreement on an expanded and more flexible NAB." The NAB is a standing set of credit arrangements under which participants commit supplementary resources for IMF lending when needed.

"We have had a very constructive meeting of both Participants and representatives of other countries," said Mr. Nakao, Senior Deputy Director General of the International Bureau, Ministry of Finance, Japan. "There was broad agreement with the objectives of expanding and increasing the NAB by up to US\$500 billion. Many NAB current participants signaled their commitments to increasing the size of their credit arrangements, and others indicated their intention to give favorable consideration to such increases. In addition, some other G-20 countries that are not currently NAB participants indicated their willingness to consider participating in this exercise. It was emphasized that the IMF is a quota based institution and that the next quota review should be accelerated to be completed by January 2011. There was a strong sense that the expanded NAB is not a substitute for a quota increase."

"We also had a preliminary exchange of views concerning ways in which the NAB could be modified to balance the need to make it more flexible with the need to protect participants' interests. We plan to carry this work forward expeditiously, with both current and potential participants, and will soon have further discussions in Washington, at which I hope we will be in a position to provide firm commitments consistent with the goal agreed at the Leaders of the Group of 20 Summit of increasing the NAB. I also hope that we can conclude our agreement before the end of June," Mr. Nakao said.

***Background***

The NAB is a credit arrangement between the IMF and a group of members and institutions to provide supplementary resources of up to SDR 34 billion (about US\$50 billion) to the IMF when these are needed to forestall or cope with an impairment of the international monetary system or to deal with an exceptional situation that poses a threat to the stability of that system.

The unprecedented shock confronting the global economy has led to a sharp increase in the demand for IMF financing. To ensure that the IMF continues to have sufficient resources to meet demand, the [Group of 20 economies \(G-20\)](#) endorsed on April 2, 2009 a tripling of the resources available to the IMF, from a pre-crisis level of about US\$250 billion.

The G-20 Leaders agreed that immediate financing from members of US\$250 billion would subsequently be incorporated into an expanded and more flexible NAB, increased by up to US\$500 billion.

Attachments

***NAB Meeting  
April 24, 2009***

**NAB Participants**

Australia  
Austria  
Banco Central de Chile  
Belgium  
Canada  
Denmark  
Deutsche Bundesbank  
Finland  
France  
Hong Kong Monetary Authority  
Italy  
Japan  
Korea  
Kuwait  
Luxembourg  
Malaysia  
Netherlands  
Norway  
Saudi Arabia  
Singapore  
Spain  
Sveriges Riksbank  
Swiss National Bank  
Thailand  
United Kingdom  
United States

**Other Countries represented**

Argentina  
Brazil  
China  
India  
Mexico  
Russia  
South Africa  
Turkey