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September 8, 1993

To: Members of the Executive Board
From: The Secretary
Subject: Republic of Poland - Change in Exchange Arrangements

The Secretary has received the following memorandum dated September 2, 1993 from Mr. Kaeser:

I should be grateful if you could bring the attached communication from the National Bank of Poland of September 2, 1993, to the attention of the Executive Directors.

Attachment

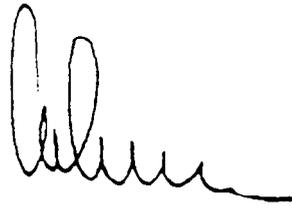
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Department Heads

Warszawa, dn. 2 September 1993

I would like to inform you of a change in Poland's exchange arrangements that came into effect on August 27, 1992.

As you know, since the last step devaluation of February 26, 1992, the value of the zloty was being depreciated against the basket of currencies every business day by the uniform amount so that the monthly devaluation was about 1.8 percent. The uniform amount of daily devaluation was being adjusted occasionally in order to arrive rather more closely to the monthly depreciation rate of about 1.8 percent. On August 27, 1993 the rate of the zloty with respect to the basket was depreciated by 7.4 percent in foreign currency terms from the value prevailing the previous day. The mid-point rate of the zloty to the US dollar following that change on August 27, 1993 was ZL 19,728. Simultaneously, it was decided to reduce the rate of monthly depreciation of zloty against the basket to about 1.6 percent. The practice of daily depreciation of the zloty remains the same, as do the composition of the basket and all the other characteristics of Poland's exchange system.

Best regards



Krzysztof Barbuski
Vice President
National Bank of Poland