

EBS/00/173
Supplement 1

CONFIDENTIAL

September 11, 2000

To: Members of the Executive Board

From: The Secretary

Subject: **Financial Transactions Plan for the Quarterly Period
September–November 2000**

The attached supplement to the paper on the financial transactions plan for the quarterly period September–November 2000 (EBS/00/173, 8/18/00) has been prepared on the basis of additional information.

Mr. Corr (ext. 38774) and Mr. Hatch (ext. 37552) are available to answer technical or factual questions relating to this paper.

Att: (1)

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Department Heads

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INTERNATIONAL MONETARY FUND

Financial Transactions Plan for the Quarterly Period September–November 2000

Information Note

Prepared by the Treasurer's Department

(In consultation with the Legal Department)

Approved by Eduard Brau

September 11, 2000

1. The purpose of this note is to inform the Executive Board of a substantial change in the amounts for receipts in currencies under the June–August 2000 financial transactions plan and the corresponding need to reallocate amounts on the receipts side of the September–November 2000 transactions plan in order to maintain balanced reserve positions in the Fund among creditor members in the period ahead.¹
2. Mexico made an advance repurchase of all its Fund credit outstanding, amounting to SDR 2.3 billion, on August 30, 2000. This transaction was, however, not anticipated when the financial transactions plan for June–August 2000 was drawn up in May and could not be accommodated without exceeding the original amounts included for receipts in that plan. Since a member has the right under Article V, Section 7(a) to repurchase at any time the Fund's holdings of its currency subject to charges under Article V, Section 8(b), a Board decision is not required to increase the amount of receipts to accommodate a member making an advance repurchase.
3. Taking into account Mexico's repurchase, the total amount for receipts in the June–August 2000 quarter rose to about SDR 3.1 billion (compared to the originally planned amount of SDR 2.0 billion). The final outcome for both transfers and receipts in the June–August quarter is shown in Table 1.

¹ The June–August 2000 financial transactions plan, which was approved by the Executive Board on May 24, 2000, is set out in EBS/00/88 (5/17/00). The September–November 2000 financial transactions plan, which was approved by the Executive Board on August 25, 2000, is set out in EBS/00/173 (8/18/00).

4. Furthermore, since Mexico's advance repurchase took place very late in the June–August 2000 quarter, and in light of the mix of currencies (and SDRs) used by Mexico to effect this transaction, it was not possible to bring about close balance in the distribution of currency receipts in that quarter. As a result, members' actual end-August Fund positions differed substantially from the projections which had formed the basis for the allocation of receipts in the September–November 2000 transactions plan. In order to remain within the guidelines governing the use of currencies in the financial transactions plan,² the allocation of receipts for the September–November period has been revised, as shown in Table 2, on the basis of an unchanged total of receipts in currencies. Since this change arises from the automatic application of the guidelines, a Board decision is not required.

² Approved by Decision No. 11837-(98/121), adopted November 30, 1998.

Table 1. Final Use of Currencies and SDRs in Transfers and Receipts under the
Financial Transactions Plan for the Period June - August 2000

(In millions of SDRs)

Member	Transfers		Col. (2) as % of Col. (1)	Receipts		Col. (4) as % of Col. (3)	Net Transfers	
	Proposed (1)	Used (2)		Proposed (3)	Used (4)		Budget (5)	Amount (6)
Australia	32.0	0.0	0.0	42.0	26.9	64.0	-10.0	-26.9
Austria	19.0	0.0	0.0	24.0	48.4	201.5	-5.0	-48.4
Belgium	46.0	0.0	0.0	55.0	114.9	208.9	-9.0	-114.9
Botswana	1.0	0.0	0.0	1.0	0.7	68.5	0.0	-0.7
Brunei Darussalam	1.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Canada	63.0	0.0	0.0	91.0	187.1	205.5	-28.0	-187.1
Chile	8.0	0.0	0.0	13.0	8.4	64.2	-5.0	-8.4
China	46.0	14.0	30.4	67.0	144.2	215.2	-21.0	-130.2
Czech Republic	8.0	0.0	0.0	0.0	0.0	0.0	8.0	0.0
Denmark	16.0	0.0	0.0	20.0	43.1	215.5	-4.0	-43.1
Finland	13.0	0.0	0.0	19.0	36.5	192.1	-6.0	-36.5
France	107.0	11.2	10.5	182.0	116.6	64.0	-75.0	-105.3
Germany	129.0	0.0	0.0	219.0	150.0	68.5	-90.0	-150.0
Greece	8.0	0.0	0.0	12.0	24.2	201.3	-4.0	-24.2
Hungary	10.0	0.0	0.0	0.0	0.0	0.0	10.0	0.0
Ireland	8.0	0.0	0.0	14.0	9.6	68.5	-6.0	-9.6
Israel	9.0	0.0	0.0	0.0	0.0	0.0	9.0	0.0
Italy	70.0	0.0	0.0	85.0	54.4	64.0	-15.0	-54.4
Japan	132.0	0.0	0.0	163.0	333.8	204.8	-31.0	-333.8
Kuwait	14.0	0.0	0.0	0.0	0.0	0.0	14.0	0.0
Luxembourg	3.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0
Netherlands	51.0	0.0	0.0	63.0	43.2	68.5	-12.0	-43.2
New Zealand	9.0	0.0	0.0	10.0	22.4	223.9	-1.0	-22.4
Norway	17.0	5.0	29.4	29.0	64.0	220.7	-12.0	-59.0
Oman	2.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0
Poland, Republic Of	14.0	0.0	0.0	0.0	0.0	0.0	14.0	0.0
Portugal	9.0	0.0	0.0	10.0	12.4	123.5	-1.0	-12.4
Qatar	3.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0
Saudi Arabia	69.0	0.0	0.0	0.0	0.0	0.0	69.0	0.0
Singapore	9.0	0.0	0.0	11.0	22.7	205.9	-2.0	-22.7
Slovenia, Republic Of	2.0	0.0	0.0	3.0	7.3	241.8	-1.0	-7.3
Spain	30.0	0.0	0.0	47.0	32.2	68.5	-17.0	-32.2
Sweden	24.0	4.0	16.7	28.0	58.2	207.8	-4.0	-54.2
Switzerland	34.0	9.3	27.5	44.0	99.3	225.8	-10.0	-90.0
Trinidad And Tobago	3.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0
United Arab Emirates	6.0	0.0	0.0	7.0	4.7	67.7	-1.0	-4.7
United Kingdom	107.0	0.0	0.0	146.0	291.0	199.3	-39.0	-291.0
United States	<u>368.0</u>	<u>0.0</u>	<u>0.0</u>	<u>595.0</u>	<u>1,190.2</u>	<u>200.0</u>	<u>-227.0</u>	<u>-1,190.2</u>
Total Currencies	1,500.0	43.6	2.9	2,000.0	3,146.0	157.3	-500.0	-3,102.4
SDRs	<u>1,500.0</u>	<u>658.1</u>	<u>43.9</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,500.0</u>	<u>658.1</u>
Total Plan	3,000.0	701.7	23.4	2,000.0	3,146.0	157.3	1,000.0	-2,444.3

Table 2. Financial Transactions Plan for the Period September-November 2000
Proposed Amendment of Amounts for Receipts

(In millions of SDRs)

	Transfers	Receipts		Change
		Original Amounts 1/	Amended Amounts	
Australia	21	30	50	20
Austria	12	16	12	-4
Belgium	30	37	28	-9
Botswana	1	1	1	0
Brunei Darussalam	1	0	0	0
Canada	42	62	45	-17
Chile	6	9	15	6
China	31	53	37	-16
Czech Republic	5	0	0	0
Denmark	11	15	11	-4
Finland	8	12	8	-4
France	71	121	186	65
Germany	86	137	216	79
Greece	5	8	6	-2
Hungary	7	0	0	0
Ireland	6	9	14	5
Israel	6	0	0	0
Italy	47	58	100	42
Japan	88	107	83	-24
Kuwait	9	0	5	5
Luxembourg	2	0	0	0
Netherlands	34	41	72	31
New Zealand	6	7	6	-1
Norway	11	21	12	-9
Oman	1	0	0	0
Poland	9	0	0	0
Portugal	6	7	10	3
Qatar	2	0	0	0
Saudi Arabia	46	0	0	0
Singapore	6	8	6	-2
Slovenia	2	3	2	-1
Spain	20	30	48	18
Sweden	16	21	18	-3
Switzerland	23	35	25	-10
Trinidad and Tobago	2	0	0	0
United Arab Emirates	4	6	10	4
United Kingdom	71	95	71	-24
United States	<u>246</u>	<u>451</u>	<u>303</u>	<u>-148</u>
Total Currencies	1,000	1,400	1,400	0
SDRs	1,500	--	--	--
Total Plan	<u>2,500</u>	<u>1,400</u>	<u>1,400</u>	<u>0</u>

1/ As reflected in Table 2 of EBS/00/173 (8/18/00).