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November 30, 1992

To: Members of the Executive Board
From: The Secretary
Subject: Malta - Review of the Maltese Lira Basket

The Secretary has received the following memorandum dated November 25, 1992, from Mr. Filosa:

The following is the text of a communication from the Maltese authorities concerning the review of weights of the currency basket determining the exchange rate of the Maltese lira with effect from November 24, 1992. I would appreciate it if you could inform the Board of this review.

The exchange rate for the Maltese lira is worked out on the basis of a basket related to the currencies of Malta's main trading partners. This basket includes the ecu, the pound sterling and the U.S. dollar.

As a result of the realignment of European currencies which has taken place over the past weeks and in support of the measures which the authorities are taking to ensure that Malta maintains its competitive position externally, a decision has been taken to realign the Maltese lira.

The external value of the Maltese lira is being adjusted by 10 percent below that prevailing at the close of business on Tuesday, November 24, 1992.

The occasion has also been taken to update the weights of the components of the Maltese lira basket to reflect the latest figures of the current account of the balance of payments, that is the average flows during the period 1989 to 1991. The revised currency portions are as follows:

<u>Currency</u>	<u>Portion</u>
ECU	1.4689
Pound Sterling	0.2149
U.S. dollar	0.5737

Other Distribution:
Department Heads

