SM/87/207

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August 17, 1987

To: Members of the Executive Board

From: The Acting Secretary

Subject: Capital Market Financing for Developing Countries - Recent Developments, 1987

The attached paper provides background material for the paper on "International Capital Markets - Developments and Prospects, 1987" (SM/87/194, 8/5/87), which has been scheduled for discussion on Friday, September 4, 1987.

Mr. Kincaid (ext. 7356) or Mr. Regling (ext. 7358) is available to answer technical or factual questions relating to this paper.

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INTERNATIONAL MONETARY FUND

Capital Market Financing for Developing Countries: Recent Developments, 1987

Prepared by the Exchange and Trade Relations Department

(In consultation with other departments)

Approved by L.A. Whittome

August 10, 1987

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I. Introduction

This paper provides background information to the report on "International Capital Markets--Developments and Prospects, 1987" (SM/87/194, 8/5/87). Section II discusses distribution and terms of capital market financing for developing countries highlighting the declining trend in overall bank financing for these countries and the significant divergences in individual countries' access to international capital markets. Section III summarizes developments in the restructuring process including adaptations in that process, increased linkage of bank financing to Fund and World Bank involvement, and the greater complexity of financing packages. Section IV reviews the evolution of financing modalities--in particular, the menu approach--to help facilitate commercial banks' participation in financing packages. Background information on provisioning, supervision and tax treatment is provided in Section V. The appendix tables also include information on capital market developments in industrial countries and on activities of multilateral development banks.

It should be noted that the term "country" used in this paper does not in all instances refer to a territorial entity which is a state as understood by international law and practice; the term also covers some territorial entities that are not states, but for which statistical data are maintained and produced internationally on a separate and independent basis.

II. Distribution and Terms of Financing

1. Overview

The current account deficit of developing countries doubled to $46 billion in 1986. Two thirds of this deficit was financed by external borrowing from official creditors and one third by direct investment. Figures for developing countries as a whole, however, mask widely diverging patterns between fuel and nonfuel exporting countries. After a surplus in 1985, fuel exporters registered a current account deficit of $37 billion in 1986. More than half of their current account deficit was financed by a draw-down in international reserves, while they made net repayments of about $2 billion to banks. Nonfuel exporters, by contrast, more than halved their current account deficit to $9 billion. Long-term borrowing from official creditors and foreign direct investment financed this deficit, while allowing a $27 billion accumulation of international reserves.

Developing countries 1/ obtained no net financing in international bank and bond markets in 1986 (Table 1). Net bond issuances by these countries declined to $2 billion, one third of the 1985 level. Net repayment to banks totaled $4 billion (equivalent to an exchange rate adjusted reduction in bank claims on developing countries of nearly 3/4 percent) compared with net lending of $8 billion in 1985 (Table 2 and Chart 1). 2/ 3/ This trend, together with an acceleration in lending to industrial countries, reduced the share of banks' claims on developing countries in total international claims from 25 percent in 1983 to 18 percent in 1986 (Chart 2). The 15 heavily indebted countries jointly repaid $3.5 billion to banks--$4.4 billion to U.S. banks--compared with repayments of $1.4 billion in 1985. Reductions in claims on developing countries also resulted from officially recognized debt conversion schemes for 1986 ($1.6 billion).

Bank lending statistics overstate actual repayments to banks by developing countries because of, inter alia, unrecorded bank purchases of bonds, and certain transactions which reduce bank claims without requiring a cash repayment. Such transactions include loan sales to nonbanks, and write-offs by banks. Only rough estimates are available of the magnitude of the other factors but including these factors, bank lending to developing countries was still probably slightly negative in 1986.

This adjusted positive flow does not coincide with the change in banks' risk exposure to developing countries because some bank lending

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1/ In the context of bank lending and bond markets, all references to developing countries in the text exclude major offshore banking centers (The Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama and Singapore).

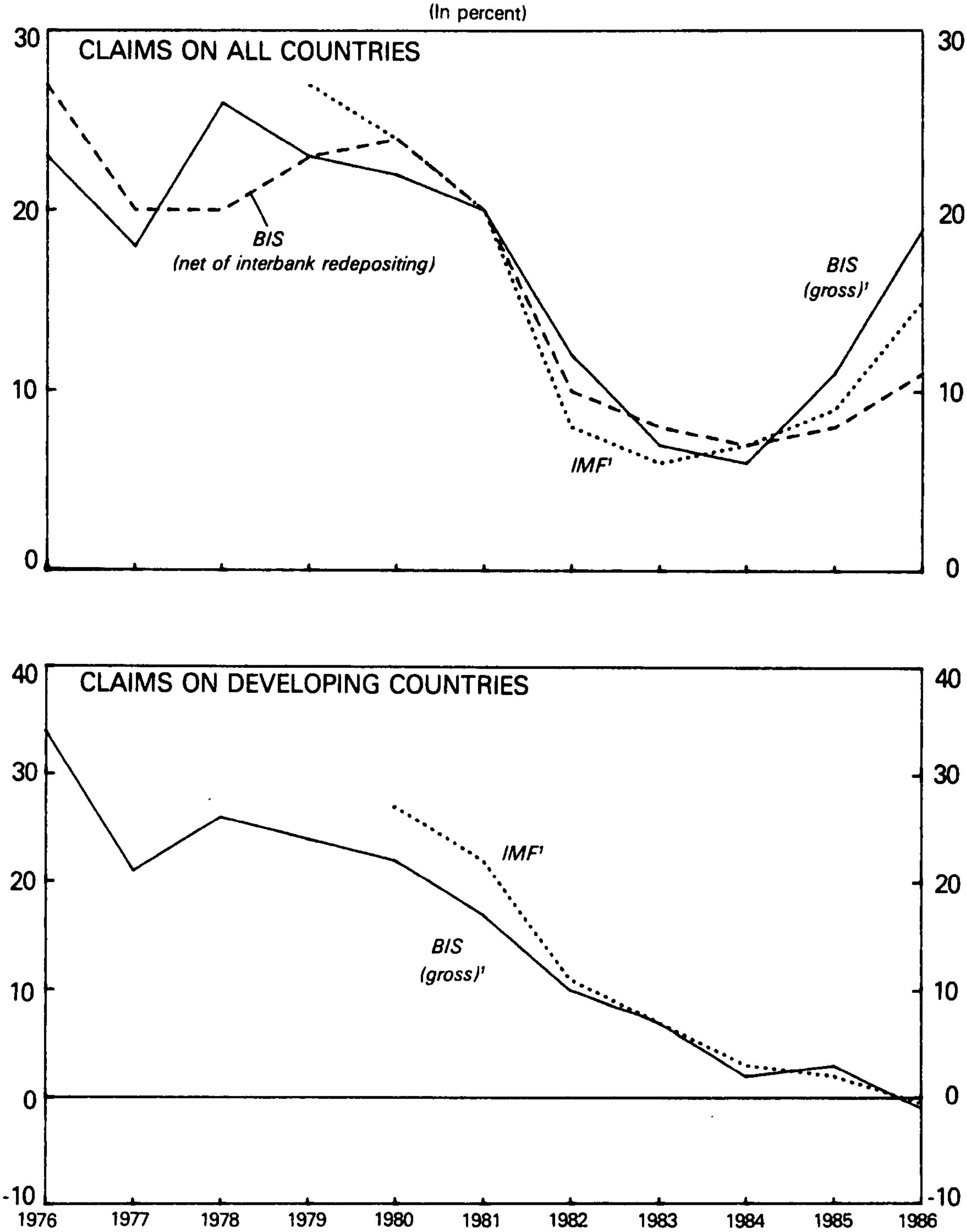
2/ The data in this paper are primarily exchange rate adjusted changes and stocks and could be interpreted as estimates of flows; in interpreting these flows, it is necessary to bear in mind that the Fund's International Banking Statistics series is based on a balance of payments approach to recording banks' assets and liabilities. Data is obtained from direct reports by a member country's banks and "derived" reports based on the geographical positions of banks located in major banking centers. Over-counting of bank claims in certain developing countries may occur when loan claims on nonbanks are transferred to banks (i.e., the central bank). Such transfers should result in an increase in interbank claims offset by a decline in claims on nonbanks. However, international banks that report their claims on banks and nonbanks may not properly reclassify their claims on nonbanks, which would result in over-counting of those claims and an overestimation of lending.

3/ BIS data indicate a $3 billion decline in net lending to developing countries. For an explanation of the differences between IBS and BIS data see footnote of Table 1.

CHART 1

GROWTH RATE OF INTERNATIONAL BANK CLAIMS, 1976-86

(In percent)



Sources: Bank for International Settlements; *International Banking* and *Annual Report*, International Monetary Fund; *International Financial Statistics;* and Fund staff estimates.

[1] These data do not net out interbank redepositing.

Table 1. International Lending, 1981-86

(In billions of U.S. dollars; or in percent)

	1981	1982	1983	1984	1985	1986
International lending through banks and bond markets						
Total 1/, 2/						
IMF-based	433	235	205	251	326	578
BIS-based (gross) 3/	294	230	152	186	310	562
BIS-based (net of redepositing) 3/	194	144	131	152	181	245
Bond issues (net) 4/	29	49	46	62	76	85
Bank lending 1/, 2/						
IMF-based	404	186	159	189	250	493
Growth rate	20	8	6	7	9	15
BIS-based (gross)	265	181	106	124	234	477
Growth rate	20	12	7	6	11	19
BIS-based (net of redepositing)	165	95	85	90	105	160
Growth rate	20	10	8	7	8	11
International lending to industrial countries						
Total						
IMF-based	244	162	136	180	250	467
BIS-based (gross) 3/	221	180	106	147	247	448
BIS-based (net) 3/	121	94	85	113	118	131
Bond issues (net) 4/	22	39	36	51	62	72
Bank lending 1/						
IMF-based	222	123	100	129	188	395
Growth rate	18	9	7	8	12	20
BIS-based (gross)	199	141	70	96	185	376
Growth rate	15	9	4	5	9	15
BIS-based (net)	99	55	49	62	56	59
Growth rate	12	6	5	5	4	4
International lending to developing countries 5/						
Total						
IMF-based	89	54	36	17	14	-2
BIS-based 3/	55	37	28	15	20	-3
Bond issues (net) 3/, 4/	2	3	2	3	6	2
Bank lending 1/						
IMF-based	87	51	34	14	8	-4
Growth rate	22	11	7	3	1	-1
BIS-based	53	34	26	12	14	-5
Growth rate	17	10	7	2	3	-1
Memorandum item						
Total gross bond issues						
Of which:	52	76	77	110	166	225
Industrial countries	39	60	60	91	136	200
Developing countries 5/	4	5	3	5	9	5

Sources: Bank for International Settlements (BIS); Organization for Economic Cooperation and Development; International Monetary Fund, International Financial Statistics; and Fund staff estimates.

1/ IMF-based data on cross-border lending by banks are derived from the Fund's International Banking Statistics (IBS) (cross-border interbank accounts by residence of borrowing bank plus international bank credits to nonbanks by residence of borrower), excluding changes attributed to exchange rate movements. BIS-based data are derived from quarterly statistics contained in the BIS's International Banking Developments; the figures shown are adjusted for the effects of exchange rate movements. Differences between the IMF data and the BIS data are mainly accounted for by the different coverages. The BIS data are derived from geographical analyses provided by banks in the BIS reporting area. The IMF data derive cross-border interbank positions from the regular money and banking data supplied by member countries, while the IMF analysis of transactions with nonbanks is based on data from geographical breakdowns provided by the BIS reporting countries and additional banking centers. Neither the IBS nor the BIS series are fully comparable over time because of expansion of coverage.

2/ Total lending includes offshore centers, international organizations, and other non-Fund members as well as industrial and developing countries.

3/ Estimates based on BIS and OECD data.

4/ Net of redemption and repurchases, and of doublecounting, i.e., bonds taken up by the reporting banks to the extent that they are included in the banking statistics as claims on nonresidents and bonds issued by the reporting banks mainly for the purpose of underpinning their international lending activity.

5/ Excludes the seven offshore centers (The Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore.

Table 2. Bank Lending to Developing Countries, 1983-86 1/ 2/

(In billions of U.S. dollars; or in percent)

	1983	1984	1985	1986
Developing countries	34.3	14.4	7.7	-4.2
Growth rate	7	3	1	-1
Africa	5.4	-0.3	1.4	-2.5
Of which:				
Algeria	0.2	0.1	1.9	0.6
Cote d'Ivoire	-0.1	-0.3	0.1	--
Morocco	0.3	0.1	0.1	--
Nigeria	1.3	-0.4	-0.7	-0.3
South Africa	3.0	-1.4	-0.3	-2.1
Asia	9.0	8.1	6.3	4.7
Of which:				
China	0.8	1.3	4.8	0.7
India	0.9	0.1	1.7	0.3
Indonesia	2.7	0.7	0.1	0.6
Korea	2.0	3.5	2.2	-2.4
Malaysia	1.9	1.4	-1.4	-0.5
Philippines	-1.3	0.1	-0.5	-0.1
Europe	1.3	2.2	1.8	-0.4
Of which:				
Greece	1.3	1.8	1.6	0.4
Hungary	0.9	0.2	2.1	2.0
Turkey	0.5	0.9	0.5	1.5
Yugoslavia	--	0.2	0.2	-0.9
Middle East	3.6	-1.0	-2.3	-2.4
Of which:				
Egypt	-0.7	0.6	-0.3	-0.1
Israel	-0.3	-0.7	-0.8	-1.1
Western Hemisphere	15.0	5.5	0.4	-3.6
Of which:				
Argentina	2.3	-0.2	0.5	1.2
Brazil	5.2	5.2	-2.9	--
Chile	0.3	1.2	0.2	-0.4
Colombia	0.6	0.1	--	0.4
Ecuador	0.2	-0.1	0.2	0.1
Mexico	2.8	1.3	1.4	-1.5
Venezuela	-1.2	-2.2	0.5	-1.4
Memorandum items				
Fifteen heavily indebted countries	11.3	4.9	-1.4	-3.5
Countries experiencing debt servicing problems	8.3	3.1	-0.5	-11.0
Gross concerted lending disbursements 3/	13.1	10.4	5.4	3.1
Total, BIS-based	26.4	11.6	14.4	-5.4
Growth rate	7	2	3	-1
Gross bond issues	3.1	5.0	9.1	4.6

Sources: Bank for International Settlements (BIS); Organization for Economic Cooperation and Development; International Monetary Fund, *International Financial Statistics*; and Fund staff estimates.

1/ IMF-based data on cross-border lending by banks are derived from the Fund's International Banking Statistics (IBS) (cross-border interbank accounts by residence of borrowing bank plus international bank credits to nonbanks by residence of borrower), excluding changes attributed to exchange rate movements. BIS-based data are derived from quarterly statistics contained in the BIS's International Banking Developments; the figures shown are adjusted for the effects of exchange rate movements. Differences between the IMF data and the BIS data are mainly accounted for by the different coverages. The BIS data are derived from geographical analyses provided by banks in the BIS reporting area. The IMF data derive cross-border interbank positions from the regular money and banking data supplied by member countries, while the IMF analysis of transactions with nonbanks is based on data from geographical breakdowns provided by the BIS reporting countries and additional banking centers. Neither the IBS series nor the BIS series are fully comparable over time because of expansion of coverage.

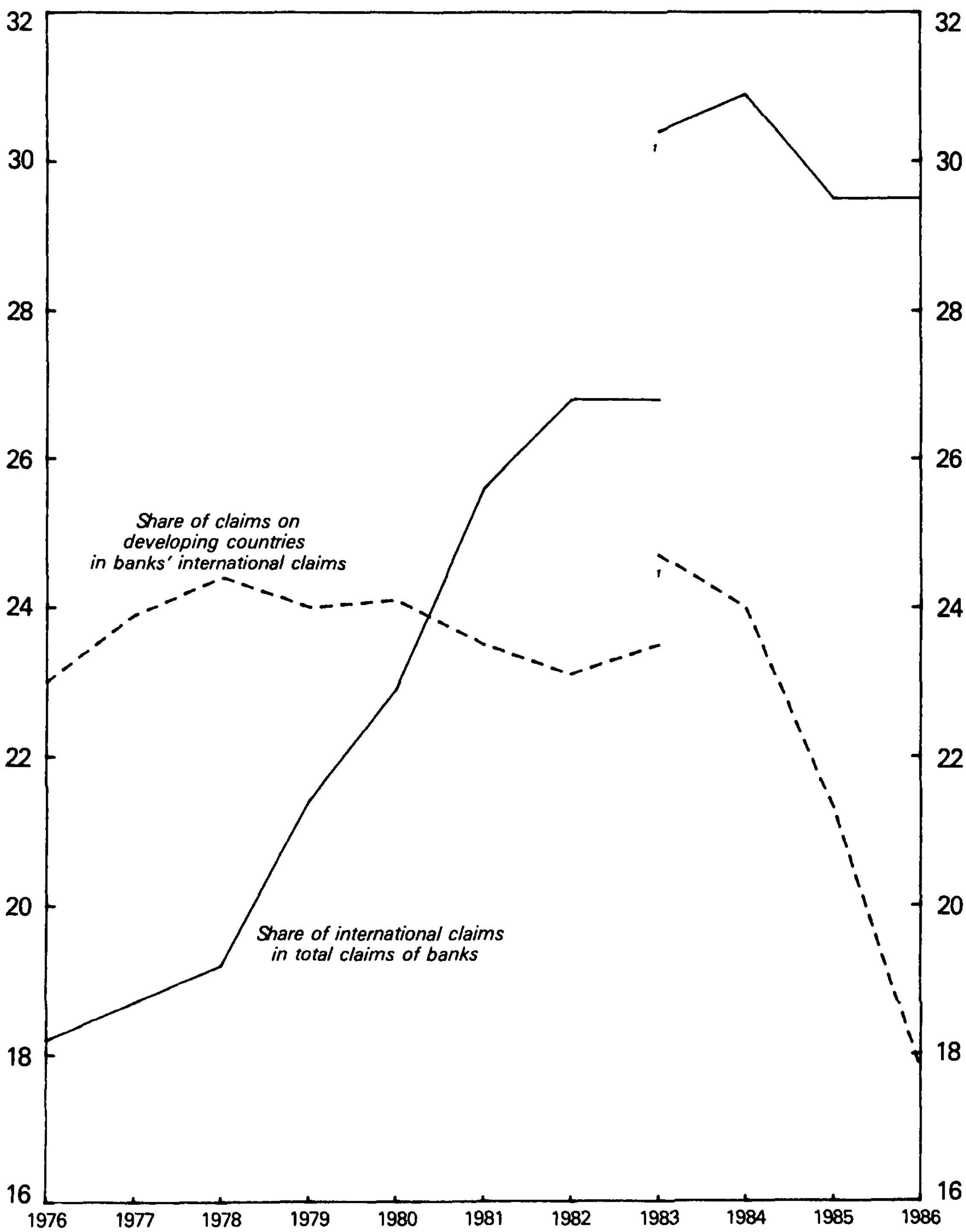
2/ Excluding the seven offshore centers (The Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore).

3/ Excluding bridge loans.

CHART 2

CONCENTRATION OF CROSS-BORDER CLAIMS, 1976-86

(In percent)



Sources: Bank for International Settlements, *International Banking and Financial Market Developments;* International Monetary Fund, *International Financial Statistics;* and Fund staff estimates.

[1] Owing to a change in coverage of the BIS reporting area, there is a break in the series.

is guaranteed by official export credit agencies. 1/ An OECD/BIS publication 2/ provides information on the stock of banks' officially guaranteed claims on developing countries but not on exchange rate adjusted flows. The Development Assistance Committee (DAC) has estimated that net export credits to developing countries fell from $3 billion in 1985 to $2 billion in 1986. 3/ Allowing for this factor, banks' risk exposure to developing countries in 1986 may have declined by up to 1 percent. Since the magnitude of these various adjustment factors can only be estimated approximately and since no reliable regional breakdown is available, the discussion of bank lending that follows does not incorporate any estimate based on under-recording of claims or increases in official guarantees.

The decline in recorded bank claims on developing countries in 1986 reflected reduced borrowing by developing countries with access to spontaneous bank finance and a slowdown in concerted lending 4/. Banks lent net $6.8 billion to countries without debt-servicing problems--compared with net bank lending of $8.2 billion in 1985; Asia was the only region on which bank claims increased in 1986. Nonetheless, a few Asian countries with strong external positions made substantial repayments of bank debt (Korea ($2.4 billion), Thailand ($0.7 billion), and Malaysia ($0.5 billion)).

Concerted lending decreased by 40 percent to $3.3 billion in 1986, with disbursements directed to countries engaged in internationally supported adjustment programs (Argentina, Chile, Colombia, Panama, the Philippines and Poland) (Table 3); in addition, a $0.5 billion bridge loan to Mexico was disbursed. Western Hemisphere countries received about 80 percent of the total under such packages in 1986, and the remainder was disbursed to the Philippines. During the first half of 1987, disbursements under concerted lending commitments (to Mexico ($3.5 billion) and Panama ($9 million)) more than equaled the amount of such disbursements in 1986. However, net disbursements were smaller as Mexico repaid, in April 1987, the bridge loan disbursed by banks in December 1986. In addition to these disbursements under concerted lending packages, concerted short and medium facilities of more than $31 billion continue to be maintained (Table 4).

1/ "Officially Supported Export Credits - Developments and Prospects" (SM/87/195, 8/5/87)
2/ Statistics on External Indebtedness: Bank and Trade-Related Nonbank External Claims on Individual Borrowing Countries and Territories at end-December 1986, BIS/OECD, July 1987.
3/ OECD Press Release on Financial Resources for Developing Countries: 1986 and Recent Trends (June 19, 1987).
4/ Concerted lending (or "new money") refers to equiproportional increases in exposure coordinated by a bank advisory committee.

Table 3. Concerted Lending: Commitments and Disbursements, 1983 - First Half 1987 1/

(In millions of U.S. dollars; classified by year of agreement in principle)

	1983		1984		1985		1986		Jan.-June 1987	
	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements
Argentina										
Medium-term loan	1,500	500	3,700	--	--	2,500	--	1,200	1,550	--
Trade deposit facility	--	--	500	--	--	500	--	--	400	--
Brazil										
Medium-term loan	4,400	4,400	6,500	6,500	--	--	--	--	--	--
Chile										
Medium-term loan	1,300	1,300	780	780	785	520	--	265	--	--
Cofinancing arrangement with World Bank	--	--	--	--	300 2/	194	--	106	--	--
Colombia										
Medium-term loan	--	--	--	--	1,000	--	--	970	--	--
Congo										
Medium-term loan	--	--	--	--	--	--	60	--	--	--
Costa Rica										
Revolving trade facility	202 3/	152	--	50	75	75	--	--	--	--
Cote d'Ivoire										
Medium-term loan	--	--	104	--	--	104	--	--	--	--
Ecuador										
Medium-term loan	431	431	200	--	--	200	--	--	--	--
Mexico										
Medium-term loan	5,000	5,000	3,800	2,850	--	950	5,000	--	--	3,500 4/
Cofinancing arrangement with World Bank	--	--	--	--	--	--	1,000 2/	--	--	--
Contingent investment support facility	--	--	--	--	--	--	1,200	--	--	--
Growth contingency cofinancing with World Bank	--	--	--	--	--	--	500 2/	--	--	--
Nigeria										
Medium-term loan	--	--	--	--	--	--	320	--	--	--
Panama										
Medium-term loan	278	131	--	147	60	--	--	51	--	9
Peru										
Medium-term loan	450	250	--	100	--	--	--	--	--	--
Philippines										
Medium-term loan	--	--	925	--	--	400	--	525	--	--
Poland										
Short-term revolving trade credit facilities 5/	180	338	285	240	--	2	198	139	--	--
Uruguay										
Medium-term loan	240	240	--	--	--	--	--	--	--	--
Yugoslavia										
Medium-term loan	600	600	--	--	--	--	--	--	--	--
Total	14,581	13,342	16,794	10,667	2,220	5,445	8,278	3,256	1,950	3,509

Sources: Restructuring agreements; and Fund staff estimates.

1/ These data exclude bridging loans.
2/ These loans have an associated guarantee given by the World Bank in the later maturities equivalent to 50 percent of the nominal amount disbursed.
3/ Agreement in principle of December 1982.
4/ A bridge loan of $500 million was disbursed in December 1986 and repaid when the concerted lending of $3.5 billion was disbursed.
5/ Utilization of these facilities varied over time, but the amounts of the facilities had to be reconstituted on a six monthly basis.

Table 4. Concerted Short- and Medium-Term Facilities
Outstanding at End of Period, 1983-First Half 1987

(In millions of U.S. dollars)

	1983	1984	1985	1986	June 1987
Argentina					
Trade deposit facility	--	--	500	500	500
Stand-by money market facility	--	1,400	1,400	1,400	1,400
Trade credit maintenance facility	--	1,200 1/	1,200 1/	1,200 1/	1,200 1/
Brazil					
Interbank exposure	5,500	5,300	5,300	5,250	5,250
Trade-related	10,175	9,800	9,800	9,500	9,500
Chile					
Trade-related	1,700	1,700	1,700	1,700	1,700
Nontrade-related	1,160	(1,160) 2/	--	--	--
Costa Rica					
Revolving trade facilities	152	202	277	277	277
Ecuador					
Trade-related credits	700	700	700	700	700
Nontrade credits	(580) 2/	--	--	--	--
Madagascar					
Short-term debt	--	(117) 2/	--	--	--
Mexico					
Interbank exposure 3/	5,200	5,200	5,200	5,200	5,200
Morocco					
Short-term debt	--	610	610	160 4/	160 4/
Trade credit maintenance facility	--	--	--	188 1/	188 1/
Panama					
Money-market facility	133	133	133	133	133
Trade-related facilities	84	84	84	84	84
Peru					
Short-term working capital	1,200	965 5/	... 4/	... 4/	...4/
Short-term trade-related credit lines	800	800 5/	... 4/	... 4/	...4/
Philippines					
Short-term debt of:					
Public sector	--	(1,183) 2/	--	--	--
Private financial sector	--	(1,594) 2/	--	--	--
Corporate sector	--	(448) 2/	--	--	--
Revolving trade facility	--	2,965	2,965	2,965	2,965
Poland					
Short-term revolving trade credit facilities	534	774	772	911	880 6/
Uruguay					
Nontrade-related credits	(359) 2/	--	--	--	--
Treasury notes outstanding	84	128	171	171	171
Yugoslavia					
Revolving trade facility	600	600	600	600	600
Nontrade-related facility	200	200	200	200	200
Total	28,222 7/	32,761 7/	31,612	31,139	31,108

Sources: Restructuring agreements; and Fund staff estimates.

1/ Converted into medium-term facility.
2/ Converted into medium-term debt.
3/ Data indicate limits rather than actual exposure.
4/ Excludes $450 million converted into medium-term debt.
5/ The 1984 agreement with the Steering Committee was not signed due, inter alia, to Peru's nonpayment of interest since July 1984, and no agreement is currently in effect for these facilities.
6/ As of May 1987.
7/ Total excludes amounts converted into medium-term debt which are given in parentheses.

New long-term bank credit commitments 1/ to developing countries increased by nearly one half in 1986 to $24.8 billion (Table 5). This increase, to a large extent, reflected a nearly fourfold increase of concerted lending commitments to $8.1 billion. Spontaneous lending commitments increased moderately to $16.7 billion in 1986 from $14.8 billion in 1985. Geographically, both spontaneous and concerted lending commitments were highly concentrated. Nearly 80 percent of spontaneous lending commitments were directed to Asian and European countries, while most concerted lending was committed to the Western Hemisphere (Mexico, $7.7 billion) and, to a lesser degree, Africa (Nigeria, $320 million; and the Congo, $60 million).

During the first five months of 1987, banks committed $7.1 billion of long-term credits to developing countries, slightly more than in the corresponding period of 1986. Over one quarter of this ($1,950 million) was new money for Argentina. Spontaneous commitments of long term bank credit slowed to $5.1 billion during the first five months of 1987, compared with $6.5 billion during the corresponding period of 1986. Ninety percent of this was directed to countries in Asia and Europe.

Ten restructuring agreements were reached in principle in 1986 and, reflecting the $43.7 billion agreement with Mexico, the amount of medium- and long-term debt restructured under these agreements increased nearly fivefold to $62.5 billion (Table 6). Three Western Hemisphere countries (Brazil, Mexico and Uruguay) accounted for 85 percent of all rescheduled amounts; five African countries (the Congo, Cote d'Ivoire, Morocco, Niger and Nigeria) and two developing countries in Europe (Poland and Romania) accounted for the remainder. The agreements signed with Cote d'Ivoire, Mexico, and Uruguay were multiyear restructuring agreements (MYRA) and accounted for nearly 75 percent of total reschedulings in 1986. In addition, South Africa reached a first informal interim arrangement with commercial banks, under which 95 percent of the debt subject to the September 1985 moratorium falling due between August 28, 1985 and June 30, 1987 ($9.8 billion) was rolled over until mid-1987.

The seven restructurings agreed in principle during the first half of 1987 amounted to $77 billion, thus exceeding by nearly one quarter the value of restructurings during the whole of 1986. MYRAs with Argentina, Chile, Jamaica, the Philippines and Venezuela represented 85 percent of all rescheduled amounts during that period. South Africa

1/ This analysis is based on data published by the Organization for Economic Cooperation and Development (OECD). The OECD data, however, understate gross bank commitments to developing countries because they do not include commitments corresponding to the restructuring of long-term maturities. These data are also not directly comparable to the data on lending previously referred to in the text, as OECD data are on a commitments basis and cover only new bank credits that are publicized and that have an original maturity of more than one year.

Table 5. Long-Term Bank Credit Commitments to Developing Countries, 1981-May 1987

(In billions of U.S. dollars)

	1981	1982	1983	1984 1/	1985 2/	1986 3/	Jan.-May 1986	Jan.-May 1987 4/
Developing countries 5/	44.4	42.4	34.0	31.3	17.0	24.8	6.5	7.1
Spontaneous lending	44.4	42.4	19.8	14.8	14.8	16.7	6.5	5.1
Concerted lending 6/	...	...	14.2	16.5	2.2	8.1	--	2.0
Capital-importing 5/	43.3	40.4	31.7	30.2	15.4	23.3	5.8	7.1
Spontaneous lending	43.3	40.4	17.5	13.7	13.2	15.2	5.8	5.1
Concerted lending 6/	...	...	14.2	16.5	2.2	8.1	--	2.0
Africa	4.1	2.7	2.7	0.6	1.3	1.8	0.5	0.3
Spontaneous lending	4.1	2.7	2.7	0.5	1.3	1.4	0.5	0.3
Concerted lending 6/	...	...	--	0.1	--	0.4	--	--
Asia	10.0	11.1	9.4	9.4	7.0	8.0	3.7	3.1
Spontaneous lending	10.0	11.1	9.4	8.5	7.0	8.0	3.7	3.1
Concerted lending 6/	...	...	--	0.9	--	--	--	--
Europe	4.7	3.7	3.5	3.7	4.4	5.2	1.6	1.5
Spontaneous lending	4.7	3.7	2.9	3.7	4.4	5.2	1.6	1.5
Concerted lending 6/	...	...	0.6	--	--	--	--	--
Middle East	0.2	0.4	0.6	0.4	0.3	0.1	--	0.2
Western Hemisphere	24.3	22.5	15.5	16.1	2.3	8.3	--	2.1
Spontaneous lending	24.3	22.5	1.9	0.6	0.1	0.6	--	0.1
Concerted lending 6/	...	...	13.6 7/	15.5	2.2	7.7	--	2.0
Memorandum Items:								
Offshore banking centers	3.7	2.2	1.2	0.9	0.6	1.1	0.2	0.2
Developing countries including offshore banking centers	48.1	44.6	35.2	32.2	17.6	25.9	6.7	7.3

Note: Owing to rounding, components may not add.

Sources: Organization for Economic Cooperation and Development, Financial Statistics Monthly; and Fund staff estimates.

1/ Includes agreements in principle with Argentina, Cote d'Ivoire, Ecuador and the Philippines.
2/ Includes $0.1 billion revolving trade facility for Costa Rica.
3/ Includes agreements in principle with Congo, Mexico, and Nigeria.
4/ Includes agreement in principle with Argentina.
5/ Excludes offshore banking centers.
6/ Concerted lending refers to bank credit commitments obtained during 1983-87 and coordinated by a bank advisory committee (i.e., Argentina, Brazil, Chile, Colombia, Congo, Cote d'Ivoire, Ecuador, Mexico, Nigeria, Panama, Peru, the Philippines, Uruguay, and Yugoslavia).
7/ Excludes the extension of a bridging loan of $1.3 billion to Argentina, and $0.2 billion revolving trade facility to Costa Rica.

Table 6. Amounts of Long-Term Bank Debt Restructured, 1983-First Half 1987 1/

(In millions of U.S. dollars; classified by year of agreement in principle)

	1983	1984	1985	1986	Jan. - June 1987
Argentina	--	14,200	--	--	29,500 2/
Bolivia	(309) 3/	--	--	--	--
Brazil	4,452	4,846	--	6,671 4/	--
Chile	2,169	1,160	6,007	--	6,005 2/
Congo	--	--	--	217	--
Costa Rica	709	--	440	--	--
Cote d'Ivoire	--	501	--	691 2/	--
Dominican Republic	500	--	787 5/	--	--
Ecuador	1,835	4,260 2/	--	--	--
Guyana	(24) 3/	(35) 3/	(47) 3/	(57) 3/	--
Jamaica	--	165	195	--	366 2/
Madagascar	--	195	--	--	--
Malawi	57	--	--	--	--
Mexico	18,800	48,700 2/	(950) 3/	43,700 2/	--
Morocco	--	--	538	2,174	--
Mozambique	--	--	--	--	250 6/
Nicaragua	--	(145) 3/	--	--	--
Niger	--	27	--	43 7/	--
Nigeria	1,935	--	--	4,250 8/	--
Panama	--	--	579	--	--
Peru	380	460	--	--	--
Philippines	--	5,885 9/	--	--	9,010 2/
Poland	1,154	1,390	--	1,970	--
Romania	567	--	--	800	--
Senegal	--	78	20	--	--
Sierra Leone	--	25	--	--	--
South Africa	--	--	--	(9,800) 3/	10,900
Sudan	790 10/	838 10/	920 10/	--	--
Togo	84	--	--	--	--
Uruguay	575	(104) 3/	--	1,958 2/	--
Venezuela	--	21,037 2/	--	--	21,088 2/
Yugoslavia	950	1,250	3,600 2/	--	--
Zaire	(58) 3/	(64) 3/	(61) 3/	(65) 3/	(61) 3/
Zambia	--	74	--	--	--
Total 11/	34,957	105,091	13,086	62,474	77,119

Sources: Restructuring agreements; and Fund staff estimates.

1/ Including short-term debt converted into long-term debt.
2/ Multiyear rescheduling agreement (MYRA).
3/ Deferment agreement.
4/ Excluding $9.6 billion in deferments corresponding to maturities due in 1986.
5/ Consists of MYRA for maturities of $707 million falling due in 1985-89 and restructuring of $79.8 million of arrears at the end of 1984.
6/ Including $195 million of interest and principal arrears.
7/ Preliminary number.
8/ Including U.S.$321 million of interest and late interest arrears which will have to be paid back in equal monthly installments in the period between the signing of the agreement and the end of 1987.
9/ Short-term debt--other than the trade facility--was consolidated into a medium-term loan under th 1984/85 restructuring.
10/ Modification of 1981 agreement.
11/ Totals exclude amounts deferred which are given in parentheses.

reached a second interim arrangement with its banks under which an estimated $10.9 billion of principal falling due between mid-1987 and mid-1990 would be rolled over until at least June 30, 1990.

In 1986, international bond issues by developing countries (including offshore centers) were almost halved to $5.5 billion (Table 7). As the result of this decline and increased activity in the industrial country segment of the market, the share of developing countries in total international bond issues dropped from 6 percent in 1985 to about 2.5 percent in 1986 (Appendix Table 30). The number of developing countries issuing international bonds declined from 22 in 1985 to 19 in 1986. Activity continued to be dominated by Asian and European countries which placed nearly 85 percent of developing country bonds.

Most of the decline in bond issues in 1986 reflected reduced placements by several traditional Asian borrowers as their current account positions strengthened; Korea, Malaysia and Thailand together issued $3.8 billion less in bonds in 1986 than in the preceding year. China was by far the most active borrower among developing countries in the international bond market, issuing $1.4 billion of bonds or 25 percent of the total. In Europe, total bond issues by developing countries dropped to $1 billion, mainly reflecting reduced bond issues by Greece. The only increase occurred in the Western Hemisphere where developing countries issued $0.7 billion of bonds in 1986, but this increase represents the securitization of Mexican and Brazilian interbank credit lines. Offshore centers issued $0.8 billion of international bonds, about one third less than in 1985.

During the first six months of 1987, international bonds were issued by 13 developing countries (including offshore centers). The value of these placements declined further to $2.1 billion, and their share in total international bond issues dropped to 2.1 percent. Developing countries in Europe stepped up bond issues to $1.0 billion of bonds during the first half of 1987, nearly half of total developing country bond placements during that period. Greece, Hungary and Portugal each issued $0.3 billion of international bonds during the first six months of 1987; in addition, Turkey issued about $0.1 billion. In Asia, only China ($0.4 billion), India and Malaysia ($0.2 billion each), and Korea ($0.1 million) issued bonds. Except for offshore centers which placed $0.2 billion, other bond issuing activity in the developing world during the first half of 1987 was confined to Colombia, Trinidad and Tobago (about $50 million each) and Israel ($20 million).

During 1986 developing countries arranged $3.7 billion in other long-term external bank facilities, compared with $2.7 billion in 1985 (Appendix Table 25). Virtually all of these facilities were arranged in favor of Asian ($2.0 billion) and European ($1.5 billion) countries. In addition China, Turkey, and South Korea issued $0.5 billion of Eurocommercial paper in 1986. During the first five months of 1987, developing countries, both from Asia and Europe, arranged $0.4 billion

Table 7. International Bond Issues by Developing Countries, 1982–First Half 1987 1/

(In millions of U.S. dollars)

	1982	1983	1984	1985	1986	1st half of 1986	1st half of 1987
Developing countries 2/	4,498.7	3,121.4	4,978.0	9,127.6	4,623.9	3,226.3	1,928.4
Capital importing developing countries 2/	4,388.7	3,121.4	4,703.0	9,127.6	4,623.9	3,226.3	1,928.4
Africa	347.3	592.5	1,013.9	1,298.2	125.6	90.1	—
Of which:							
Algeria	—	—	—	500.0	125.6	90.1	—
South Africa	314.1	532.5	1,013.9	777.9	—	—	—
Asia	1,799.7	2,171.1	2,951.0	5,916.7	2,803.9	2,259.2	857.4
Of which:							
China	44.5	20.5	81.7	959.9	1,383.4	1,051.1	417.2
India	185.0	60.0	297.6	372.8	293.2	248.8	197.3
Indonesia	363.1	365.7	50.0	—	300.0	300.0	—
Korea	141.5	546.8	1,056.0	1,700.1	733.0	638.0	77.3
Malaysia	816.8	884.6	1,141.2	2,001.9	43.0	—	165.6
Philippines	30.0	—	—	—	—	—	—
Thailand	62.5	253.5	283.3	861.7	—	—	—
Europe	233.3	117.8	630.7	1,638.6	1,033.1	747.0	952.3
Of which:							
Greece	50.0	41.6	200.8	744.7	204.9	204.9	276.1
Hungary	—	—	40.5	447.1	290.5	163.0	272.2
Portugal	183.3	76.2	389.4	347.4	432.5	273.9	273.6
Turkey	—	—	—	99.4	105.2	105.2	130.4
Middle East	175.0	175.0	—	72.0	—	—	20.0
Of which:							
Egypt	65.0	40.0	—	50.0	—	—	—
Israel	110.0	135.0	—	22.0	—	—	20.0
Western Hemisphere	1,833.4	65.0	107.4	202.1	661.3	130.0	98.7
Of which:							
Argentina	—	—	—	—	—	—	—
Brazil	100.9	—	—	—	169.2	—	—
Chile	—	—	—	—	—	—	—
Colombia	35.0	15.0	—	—	39.0	—	50.0
Mexico	1,602.5	—	—	49.0	313.3	50.0	—
Peru	—	—	—	—	—	—	—
Venezuela	35.0	—	—	—	—	—	—
Memorandum items:							
Offshore banking centers	196.7	153.8	285.6	1,209.4	848.2	50.6	217.0
Developing countries, including offshore banking centers	4,695.4	3,275.2	5,263.6	10,337.0	5,472.1	3,276.9	2,145.4

Source: Organization for Economic Cooperation and Development, Financial Statistics Monthly.

1/ Foreign bonds and Eurobonds.

2/ Excludes offshore banking centers.

of long-term external facilities. This represented a sharp decline relative to the $1.7 billion of long-term facilities arranged during the corresponding period of 1986. Moreover, no developing country tapped the market for Eurocommercial paper during the first quarter of 1987.

Developing countries withdrew $3.4 billion of deposits with international banks in 1986 whereas they had deposited $24.1 billion in 1985 (Appendix Tables 13 through 18). Depositing by nonbanks in developing countries slowed to $2 billion in 1986 from $22 billion in 1985; part of this slowdown may reflect a reduction and, in some instances, a reversal, of capital flight. Interbank deposits declined by $5.2 billion in 1986 reflecting a reduction in official reserves, particularly from fuel exporting countries. These countries reduced their deposits by $20.0 billion in 1986, compared with an $8 billion build up in 1985, while nonfuel exporting countries increased their deposits by $16.5 billion in 1986.

2. Distribution of lending by nationality of banks

The evolution of banks' claims on developing countries displayed diverging patterns in 1986, depending on the nationality of creditor banks. 1/ The reduction in U.S. banks' consolidated claims on developing countries amounted to $13.5 billion in 1986 (9.4 percent) compared with a decline of $13.3 billion in 1985 (8.5 percent) (Appendix Table 19). 2/ The 1986 reduction in claims was in the 18-20 percent range for developing countries in Africa, Asia, Europe and the Middle East but only 4 percent for Western Hemisphere countries. Vis-à-vis the 15 heavily indebted countries, U.S. banks reduced their claims by $4.4 billion in 1986 (4.8 percent), following a decline of $4.9 billion (5.1 percent) in 1985. The behavior of the different types of U.S. banks vis-à-vis developing countries as a whole was fairly uniform in 1986 , with the 9 and 15 largest banks reducing their claims by 9 and 11 percent respectively, compared with 8 percent for the other banks. Adjusted for guarantees and other risk transfers, U.S. banks' risk

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1/ Data on consolidated bank claims by nationality of banks are regularly published by the United States and the United Kingdom. The Bundesbank publishes data on the geographical claims of domestic banks, their foreign branches, and subsidiaries; consolidated information has been published once for a limited number of countries, but is not published on a regular basis. Data on the currency composition of claims, which could be used to correct the data for movements in exchange rates in deriving lending flows, are not available for Germany, the United Kingdom, or the United States, and thus the changes in claims derived from these series have to be interpreted with caution.

2/ In 1985 the decline in U.S. banks' claims on developing countries was affected by Crocker National Bank's sale of $3.1 billion of developing country loans to Midland Bank, which did not record these increases in the data for U.K. bank claims on developing countries.

exposure to developing countries declined from a peak of $150 billion in 1983 to $122 billion in 1986. The decline in risk exposure amounted to 8.5 percent in 1985 and 1986 (Appendix Table 20).

Consolidated claims of U.K. banks, unadjusted for exchange rate changes, increased by $0.6 billion in 1986 (1 percent), about the same as in 1985 (Appendix Table 21). 1/ However, in view of the greater exchange rate stability prevailing in 1986, figures for that year are more likely to reflect accurately underlying trends rather than valuation changes. 2/ Claims of U.K. banks on Western Hemisphere countries increased by $1 billion (3 percent) in 1986, partly reflecting $0.4 billion increases vis-à-vis Argentina and Brazil, and declined by $0.1 billion (6 percent) vis-à-vis the Middle East. Claims on other regions showed little or no change.

German banks seem to have reduced their claims on developing countries by $1.5 billion in 1986, following a small decline in 1985. German domestic banks showed an increase in claims on developing countries of $2.3 billion (9 percent) in 1986 allowing for an approximate adjustment for exchange rate changes, compared with an increase of about $3 billion in 1985. While difficult to interpret, this increase may largely reflect a transfer of claims to domestic banks from their branches and subsidiaries abroad, whose claims on developing countries fell by $1.4 billion and $2.4 billion, respectively. Claims on Western Hemisphere countries and also on African countries appear to have been reduced while claims on oil exporters and European developing countries may have been increased slightly.

Information on the breakdown of Japanese bank claims by region is not published. However, a comparison of lending by other major nationality groupings of banks suggests a marked increase in Japanese bank claims in Asian countries. Claims on other regions appear not to have changed significantly.

3. Regional pattern of flows

The regional pattern of lending flows to developing countries continued to reflect the dichotomy between countries with recent debt-servicing difficulties and countries which did not encounter payments problems. While developing countries in Asia and Europe, to a lesser

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1/ The 1985 decline in U.K. exposure of $0.4 billion as shown in Appendix Table 21 is overstated by about $0.9 billion as the result of a statistical discontinuity in the data for South Africa. U.K. data for 1985 are not affected by the transfer of claims from Crocker National Bank to Midland.

2/ The appreciation of the pound sterling in terms of the U.S. dollar slowed, on an end-of-period basis, from 25 percent in 1985 to 2 percent in 1986.

degree, obtained net financing through international bank and bond markets, countries in Africa, the Middle East and the Western Hemisphere each made repayments in the $2.3-3.0 billion range in 1986. 1/

Developing countries in the Western Hemisphere repaid net $2.9 billion through international bank and bond markets in 1986, compared with borrowing of $0.6 billion in 1985. Repayments to international banks amounted to $3.6 billion--compared with borrowing of $0.4 billion in 1985--despite $3.1 billion of concerted lending to Western Hemisphere countries, including the bank bridge loan to Mexico. About $1.6 billion of the decline in bank claims reflected the conversion of debt into equity by Chile, Mexico, Brazil, and Costa Rica. The only Western Hemisphere countries that obtained net bank lending in 1986 were Argentina ($1.2 billion) and Colombia ($0.4 billion); bank claims on Ecuador also increased somewhat. By far the largest repayments were made by Mexico ($1.5 billion)--prior to the adoption of an adjustment program that was supported by the Fund--and Venezuela ($1.4 billion).

U.S. banks reduced their consolidated claims on developing countries in the Western Hemisphere by $3.5 billion (4 percent) in 1986 compared with a reduction of $4.5 billion (5 percent) in 1985 (Appendix Tables 19 and 21). Total U.S. bank claims were reduced most vis-à-vis Mexico ($1.3 billion) and Venezuela ($1.0 billion) and by roughly $0.4 billion each in Brazil and Colombia. German banks (including branches and subsidiaries) also appear to have reduced their exposure on developing countries in the Western Hemisphere. By contrast, U.K. banks increased, on a consolidated basis and unadjusted for exchange rate changes, their exposure to Western Hemisphere countries by $1 billion (+3 percent) in 1986, more than offsetting the small decline of 1985.

Bonds issued by Western Hemisphere countries increased from $0.2 billion in 1985 to $0.7 billion in 1986. However, about $0.5 billion of the latter figure represents the securitization of Brazilian and Mexican interbank credit lines. Smaller bond placements were made by Colombia and several other Western Hemisphere countries in 1986. During the first half of 1987, Colombia and Trinidad and Tobago issued about $50 million of bonds each.

Banks' long-term credit commitments to Western Hemisphere countries increased nearly fourfold to $8.3 billion in 1986, 93 percent of which represented a concerted lending package to Mexico while the remainder consisted of spontaneous commitments. During the first five months of 1987, banks committed on a concerted basis $1.55 billion of new long-term money and a $400 million trade facility to Argentina. There were only $0.1 billion of spontaneous long-term external credit commitments to Western Hemisphere countries. Only $0.1 billion of other

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1/ Data on borrowing through international bond markets are based on gross issues.

international long-term bank facilities were committed to Western Hemisphere countries during 1986 and the first five months of 1987.

Western Hemisphere residents increased their deposits with international banks, by $0.3 billion in 1986 compared with a $5.9 billion increase in 1985. Interbank deposits decreased by $5.8 billion, reflecting declines in international reserves, while deposits of nonbanks increased by $6.1 billion. The highest reductions in deposits in 1986 occurred in Venezuela ($5.1 billion) and Brazil ($0.8 billion). By contrast, deposits from residents of Colombia and Uruguay increased by $0.5 billion each.

International lending through bank and bond markets to developing countries in Asia amounted to $7.5 billion in 1986, about 60 percent of the amount registered in 1985. Bank lending dropped from $6.3 billion in 1985 to $4.7 billion in 1986, as the external position of Asian countries strengthened and some countries reduced their level of bank indebtedness. Korea made repayments of $2.4 billion while Malaysia and Thailand repaid jointly $1.1 billion of bank debt. In the case of the Philippines, banks reduced their exposure by $0.1 billion despite concerted disbursements of $0.5 billion. Lending to China dropped from $4.8 billion in 1985 to $0.7 billion in 1986, while lending to India declined from $1.7 billion to $0.3 billion.

Consolidated claims of U.S. banks on developing countries in Asia declined by one fifth ($4.8 billion), following a 12 percent reduction in 1985. Two thirds of this reflected the decline in U.S. banks' exposure vis-à-vis South Korea (-$3.2 billion). The consolidated claims of U.K. banks, unadjusted for the impact of exchange rate movements, declined by 1 percent in 1986 (-$0.1 billion) compared with a 2 percent increase in 1985. Claims of German banks appear to have remained roughly unchanged, and indications are that Japanese banks substantially increased their claims on Asian countries.

Bond issues by Asian countries fell by more than half to $2.8 billion in 1986. This decline was more than accounted for by reduced recourse to bond financing by Korea, Malaysia, and Thailand. These countries had issued $4.6 billion of bonds in 1985, but placed only $0.8 billion of bonds in 1986. By contrast, China and Indonesia stepped up their bond issues by about $0.3 billion each, with China becoming, among developing countries, the largest borrower in international bond markets. During the first half of 1987 bond issues by Asian countries continued to decline, falling to an annualized amount of $1.7 billion--only three fifths of the 1986 level.

New long-term bank credit commitments to Asia amounted to $8.0 billion in 1986, up from $7.0 billion in 1985. All commitments--as in 1985--were on a spontaneous basis. Arrangements of other international long-term bank facilities increased by one third to $2 billion in 1986. However, arrangements of such facilities fell to $0.2 billion during the first five months of 1987. China and South Korea also issued $0.3 billion of Eurocommercial paper in 1986 but were not active on that market during the first quarter of 1987.

Countries in Asia deposited $9.1 billion in international banks in 1986, about 15 percent more than in 1985. Interbank deposits increased by $10.5 billion, while nonbanks in Asia reduced their deposits by $1.5 billion. The Phillipines, Thailand ($0.5 billion each) and Malaysia ($0.3 billion) increased their deposits. By contrast, Indonesia and Korea ($1.8 billion each), China ($1.4 billion) and India ($0.6 billion) reduced their international bank deposits. In the case of Korea, the reduction reflected a shift in holdings of foreign exchange reserves from bank deposits to U.S. Government securities.

Net lending through international bank and bond markets to developing countries in Europe fell by more than 80 percent in 1986 to $0.6 billion as net bank lending became negative and international bond issues declined. Net repayments to banks by European countries amounted to $0.4 billion in 1986, compared with bank flows averaging nearly $2 billion a year during the 1983-85 period. The largest repayments were made by Portugal ($2.0 billion), Yugoslavia ($0.9 billion) and Romania ($0.5 billion), while Hungary ($2.0 billion), Turkey ($1.5 billion), and Greece ($0.4 billion), were net borrowers.

In 1986, international bond issues by developing countries in Europe declined to $1 billion from $1.6 billion in 1985. New international bond issues by Greece fell to $0.2 billion in 1986, about one fourth of their 1985 level, while Hungary reduced its issues to $0.3 billion. During the first half of 1987 European countries nearly doubled, at an annualized rate, their placement of international bonds ($1.9 billion). Greece, Hungary, and Portugal issued $0.3 billion of such bonds each, while Turkey placed $0.1 billion. Turkey, Portugal and Hungary arranged international long-term bank facilities for $1.5 billion in 1986, two thirds more than in 1985; Turkey also issued $0.2 billion of Eurocommercial paper. However, during the first five months of 1987 the arrangement of long-term bank facilities fell to $0.2 billion; no new Eurocommercial paper programs were established for these countries during the first quarter of 1987.

Bank deposits from European developing countries increased by $0.9 billion in 1986, compared with an increase of $2.2 billion in 1985. The 1986 increase was more than accounted for by a build up of deposits by Romania ($1.5 billion) and Turkey ($0.4 billion) while Yugoslavia drew down its deposits by $1.2 billion. Virtually all these transactions occurred in the interbank market.

Developing countries in Africa repaid net $2.4 billion through bond and bank markets in 1986 as opposed to net borrowings of $2.7 billion in 1985. Repayments to banks amounted to $2.5 billion in 1986, as the result of sizable repayments by South Africa ($2.1 billion) on debt not covered by the interim arrangement with its bank creditors. The only substantial increase in bank exposure was in favor of Algeria, which borrowed net $0.6 billion. U.S. banks reduced their exposure vis-à-vis African countries by $2.0 billion (20 percent). German banks also appear to have reduced their exposure on African countries somewhat, while the consolidated position of U.K. banks, unadjusted for exchange rate changes, remained unchanged.

In 1986 bond placements of African countries dwindled to $0.1 billion--only one tenth of the 1985 volume--and African countries did not issue any bonds during the first six months of 1987. This decline is explained by the absence of South Africa from international bond markets, leaving Algeria as the only African issuer of bonds in 1986. New spontaneous long term international credit commitments to developing countries in Africa remained approximately unchanged in 1986 at $1.4 billion. In addition there were concerted lending commitments to Nigeria ($320 million) and the Congo ($60 million). Other international long-term bank facilities did not play a role in the financing of African countries in 1986 or early 1987; the last such facility was arranged in 1984.

Residents of Africa reduced their deposits with international banks by $0.8 billion in 1986 following a $3.9 billion increase in 1985; virtually all of these transactions occurred in the interbank market. Deposits of Algerian and Cameroonian residents declined considerably (minus $1.8 billion and $0.6 billion, respectively) while Nigeria, South Africa and Tunisia recorded modest increases.

Net repayments to international banks by developing countries in the Middle East amounted to $2.4 billion in 1986, about the same amount as in 1985. Middle Eastern countries did not issue international bonds in 1986, but Israel issued $20 million of such bonds during the first half of 1987. The net repayment to banks was more than accounted for by Israel, Kuwait, and the United Arab Emirates which each repaid about $1 billion. Spontaneous long-term bank commitments to Middle Eastern countries amounted to only $0.1 billion in 1986 and increased to $0.2 billion during the first five months of 1987.

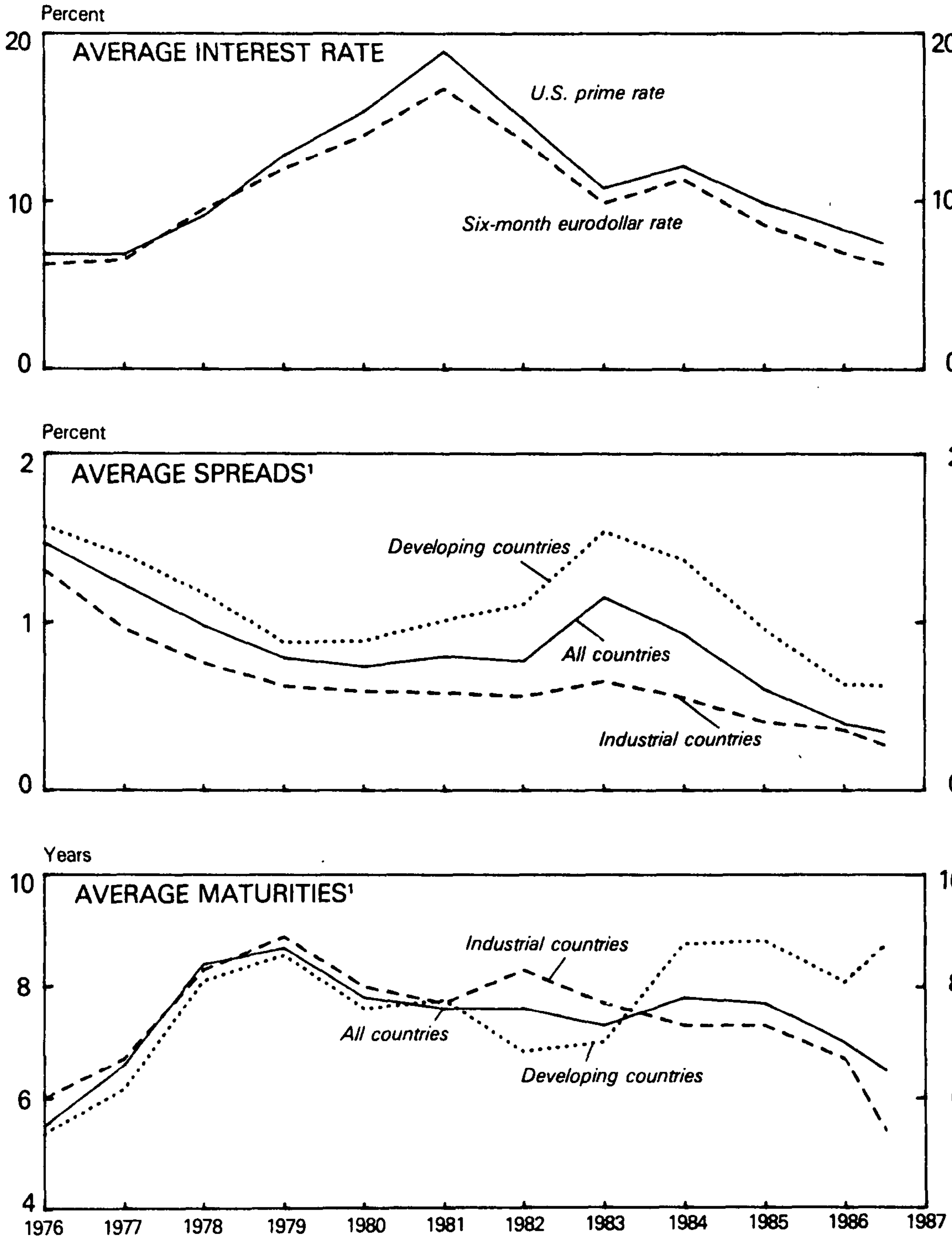
Reflecting curtailed export earnings and a draw-down in international reserves, deposits from Middle Eastern residents with international banks declined by $12.8 billion whereas such deposits had increased by $4.3 billion in 1985. Saudi Arabia drew down its deposits by $6.6 billion and Egypt and Kuwait each recorded declines of about $1 billion. Most of the decline took place in the interbank market ($9.6 billion). Nonbanks in the Middle East reduced their deposits by $3.3 billion.

4. Terms

Terms on new bank commitments and debt restructurings generally continued to ease in 1986 and early 1987, although regional divergences persisted, particularly with regard to spreads. Average spreads on new

CHART 3

TERMS ON INTERNATIONAL BANK LENDING COMMITMENTS, 1976-FIRST QUARTER OF 1987



Sources: Organization for Economic Cooperation and Development, *Financial Market Trends;* Federal Reserve Bulletin for Rate, International Monetary Fund, *International Financial Statistics;* and Fund staff estimates.

[1]New publicized long-term international bank credit commitments.

bank credit commitments to developing countries declined, according to OECD data, from a peak of 154 basis points in 1983 to 63 basis points in 1986 and 61 basis points during the first quarter of 1987 (Appendix Table 26 and Chart 3). The difference between spreads on lending to developing and industrialized countries declined from 89 basis points in 1983 to 27 basis points in 1986, but increased somewhat to 33 basis points during the first quarter of 1987. The average maturity of new credit commitments to developing countries has been relatively stable over the last few years and lengthened somewhat from eight years and one month in 1986 to about eight years and nine months during the first quarter of 1987. Maturities for developing countries in 1984-86 generally were about 17 months longer than maturities for industrialized countries. During the first quarter of 1987 this differential widened to three years and four months, reflecting not only the lengthening of maturities of developing countries but also some shortening of maturities for industrial countries.

On average, spreads under restructuring agreements fell from 195 basis points in 1983 to 137 basis points in 1985 and to 96 basis points during 1986 and the first half of 1987 (Table 8; for details see Appendix Table 29). The easing of spreads was particularly marked for Western Hemisphere countries where the spread on restructurings fell to an average of 86 basis points in the first half of 1987. By contrast, in Africa the spread on recent reschedulings remained well in excess of 100 basis points. In the case of Nigeria, the spread agreed in the agreement in principal in November 1986 was for 125 basis points and in the case of Morocco, the December 1986 agreement in principal fixed a spread of 119 basis points. On concerted lending the decline in spreads was even more pronounced, particularly over the last two years, with a decline from 225 basis points in 1983 to 179 basis points in 1985 and 84 basis points in 1986 (140 basis points excluding Mexico); during the first half of 1987, the spread on the only concerted lending commitments (Argentina) was 87.5 basis points. Concerning spontaneous lending, OECD data indicate that spreads fell from 76 basis points in 1983 to 67 basis points in 1985-86 and 60 basis points during the first quarter of 1987.

Under restructuring agreements, average maturities lengthened from about 7 1/2 years in 1983 to nearly 11 years in 1985 and about 16 1/2 years in 1986. The average maturity on restructurings declined during the first semester of 1987. If the arrangement with South Africa is included the average restructured maturity was about 13 1/2 years, excluding South Africa it averaged 15 1/2 years. Average maturities under concerted lending increased from more than 6 1/2 years in 1983 to 9 1/2 years in 1985 and 11 1/2 years in 1986. During the first half of 1987, the maturity of Argentina's new medium term concerted credit was set at 12 years, compared to 4 years for the trade deposit facility.

Table 8. Terms of Selected Bank Debt Restructurings and Financial Packages, 1983-First Half 1987 1/

Country	Year of Agree-ment	Type of Transaction	Grace Period (In years)	Maturity (In years)	Interest Rate (In percent spread over LIBOR-U.S. Prime)
Argentina	1983	New financing	3	4 1/2	2 1/4-2 1/8
	1984	Restructuring	3	10 to 12	1 3/8
		New financing	3	10	1 5/8-1 1/4
	1987	New financing	5	12	7/8
		New financing 2/	--	4	7/8
		Restructuring 3/ 4/	7	19	13/16
		Restructuring 3/ 4/	5	12	13/16
Brazil	1983	Restructuring	2 1/2	8	2 1/4-2
		New financing	2 1/2	8	2 1/8-1 7/8
	1984	Restructuring	5	9	2-1 3/4
		New financing	5	9	2-1 3/4
	1986	Restructuring	5	7	1 1/8
Chile	1983	New financing	4	7	2 1/4-2 1/8
		Restructuring	4	8	2 1/8-2
	1984	New financing	5	9	1 3/4-1 1/2
	1985	Restructuring	6	12	1 3/8
		New financing	5	10	1 5/8-1 1/4
	1987	Restructuring 3/ 4/	4	5	1 1/8
		Restructuring 4/5/	6	15 1/2	1
Cote d'Ivoire	1984	Restructuring	2	7	1 7/8-1 5/8
		Restructuring	3	8	1 7/8-1 5/8
		New Financing	3	7	1 7/8-1 5/8
	1986	Restructuring 4/	3	9	1 5/8-1 3/8
Dominican Republic	1983	Restructuring	1	5	2 1/4-2 1/8
	1985	Restructuring 4/	3	13	1 3/8
Ecuador	1983	Restructuring	1	7	2 1/4-2 1/8
		New financing	1 1/2	6	2 3/8-2 1/4
	1984	Restructuring 4/	3	12	1 3/8
		New financing	2	10	1 5/8-1 1/4
Jamaica	1984	Restructuring	2	5	2 1/2
	1985	Restructuring	3	10	1 7/8
	1987	Restructuring 4/6/	1 1/2	8 1/2	1 1/4
		Restructuring 4/7/	9	12 1/2	1 1/4
Mexico	1983	Restructuring	4	8	1 7/8-1 3/4
		New financing	3	6	2 1/4-2 1/8
	1984	New financing	5 1/2	10	1 1/2-1 1/8
		Restructuring 4/	0 to 1	14	7/8 in 1985-86 1 1/8 in 1987-91 1 1/4 in 1992-98
	1986	Restructuring 4/	7	20	13/16
		New financing	5	12	13/16
		New financing 8/	7	12	13/16
		New financing 9/	4	8	13/16
Morocco	1985	Restructuring	3	7	1 3/4
	1986	Restructuring	4	11	1 3/16
		Restructuring 3/	4	4	1 3/4
		Restructuring 10/	--	6	1 3/16
		Restructuring 11/	--	5 1/2	... 12/
Philippines	1984	Restructuring	5	10	1 5/8
		New financing	5	9	1 3/4-1 3/8
	1987	Restructuring 4/	7 1/2	17	7/8
		Restructuring 4/ 13/	6	10	1 3/8
Uruguay	1983	Restructuring	2	6	2 1/4-2 1/8
		New financing	2	6	2 1/4-2 1/8
	1986	Restructuring 4/	3	12	1 3/8
		Restructuring 3/4/	3	12	1 5/8

Table 8 (con't). Terms of Selected Bank Debt Restructurings and Financial Packages, 1983-First Half 1987 1/

Country	Year of Agree-ment	Type of Transaction	Grace Period (In years)	Maturity (In years)	Interest Rate (In percent spread over LIBOR-U.S. Prime)
Venezuela	1984	Restructuring 3/	--	12 1/2	1 1/8
	1987	Restructuring 3/4/	--	13	7/8
Yugoslavia	1983	Restructuring	3	6	1 7/8-1 3/4
	1983	New financing	3	6	1 7/8-1 3/4
	1984	Restructuring	4	7	1 5/8-1 1/2
	1985	Restructuring 4/	4	10 1/2	1 1/8

Sources: Table

1/ Classified by year of agreement in principle.
2/ New trade credit and deposit facility.
3/ Amendment to previous reschedulings or new money packages.
4/ Multiyear debt restructuring agreement.
5/ Amendments to 1983-87 restructuring agreement and 1988-91 unrescheduled original maturities.
6/ Maturities falling due in 1985/86 and 1986/87.
7/ Maturities falling due in 1987/88, 1988/89, 1989/90 and beyond.
8/ Growth contingency cofinancing with the World Bank.
9/ Contingent investment support facility.
10/ Conversion of short-term trade credits into medium-term debt.
11/ Consolidation of trade arrears into a trade credit maintenance facility.
12/ Original rates.
13/ Of private financial and private corporate sector debt, except for private corporate sector debt due in 1990-92 under the 1985 restructuring agreement. The latter maturities are restructured at public sector terms.

III. The Restructuring Process

1. General considerations

Following the emergence of widespread debt-servicing difficulties in 1982-83, a framework was developed to negotiate bank debt relief which, during the early years, worked fairly expeditiously. However, during 1986, the time needed to finalize bank financial packages increased significantly. On the basis of ten bank financial arrangements concluded during 1982-87 with four major debtor countries (Argentina, Brazil, Chile, and Mexico), the average time elapsed from when the debtor country first approached the banks until the first disbursement under a new money loan rose to eight months in 1986 from five months in 1982-84. In Mexico, the process of assembling the bank financial package until the first disbursement took ten months, while for Nigeria, the process has taken even longer--after more than twelve months no final agreement has been reached.

These delays have prompted proposals from banks to improve the working of the advisory committee process to reduce the time and cost involved. Regional U.S. banks and Japanese banks have felt under-represented at times on advisory committees. For this reason, efforts have emerged from time to time to increase the size of advisory committees so as to include these banks. However, other banks worry that the advisory committees could become too large and unweildy a body to function effectively or that one nationality of banks could become over-represented. Moreover, greater involvement in the advisory committee process may not successfully address smaller banks' concerns or co-opt them into the process.

One approach that has proven useful--for example in getting the menu approach explicitly adopted for Argentina--is to have discussions among senior officers of leading financial institutions to resolve basic problems and maintain momentum in the restructuring process. Other techniques that have been suggested include rotating the chairmanship of the advisory committee among the members, having more senior staff on the committees, and delegating more technical work to the economic subcommittees. Commercial bank representatives also stressed that the information flow between Fund/World Bank staff and commercial banks could be improved; in particular, banks wanted to be consulted at an earlier stage about the size of a financing gap and the distribution of its financing. Many banks thought that the Institute of International Finance (IIF) could become a suitable forum to review issues affecting the restructuring process. Finally, it was widely believed that the development of financing options in recent restructuring agreements (see below) could help facilitate the participation of banks with differing interests.

The Argentine new money package, where more than 90 percent of banks' commitments were received within two months of the 1987 agreement in principle, contrasts strongly with the difficulties in assembling the new package for Mexico. Bankers have cited a number of reasons for this rapid commitment. One, the commercial banks' contribution to the Argentina package was smaller, both in absolute terms and as a percentage increase in their exposure, than the Mexican package ($1.95 billion or 9 percent in Argentina, compared to $7.7 billion or 12 percent for Mexico). Two, banks also felt that communication in Argentina's case had been better concerning the size and structure of the package. Three, the early participation fee of 3/8 percent for commitments made before a specified date may have quickened the decision-making process in a number of banks. Four, the composition of creditor banks was more favorable; fewer relatively recalcitrant large banks, particularly U.S. regional banks, were creditors of Argentina than of Mexico. Also, more generally, banks became worried by late February 1987 about the debt restructuring process, because the three largest debtor countries were in a situation where either financing packages had not been completed (Mexico, Argentina) or arrears were accumulating (Brazil).

The long delays in assembling U.S. bank support for Mexico and its relatively lukewarm acceptance rate among non-U.S. money center banks was a considerable source of friction with other national groups of banks, especially Japanese and British banks. Indeed, British banks reportedly requested, and received, a modest topping up from certain major U.S. banks of the contribution from U.S. banks. Claims of U.S. banks on Argentina were more concentrated among large banks, than on Mexico. In Argentina, about 20 banks accounted for over 90 percent of U.S. exposure, while in Mexico 50 banks held 90 percent of the U.S. exposure; in addition, 95 percent of the exposure was held by 25 banks in Argentina but by 75 banks in Mexico. The large number of banks in these packages is one reason some banks have considered options to permit banks with smaller exposures to exit or to induce their quicker acceptance.

2. Association with policy reform

a. Financing assurances for Fund arrangements

The appropriate degree of assurance on bank financing reflects a variety of considerations: whether new money is required and, if so, its scale; the actual or likely progress of negotiations with creditor banks; the extent to which assurances place appropriate pressure for rapid progress; and prior relations between the country and its creditor banks.

Fund practices with respect to assurances on bank financing have varied. From January 1982 to July 1987, 27 Fund arrangements were approved in connection with concerted new bank financing; in 2 of these cases new money was negotiated without a bank rescheduling. A "critical mass" 1/ of bank commitments was obtained prior to Executive Board approval in about half of the cases (13) while in 5 additional cases Fund arrangements were approved in principle but did not become effective until a critical mass had been secured from banks. In 4 more cases, Executive Board approval, apart from the usual requirements to be met by the member, was granted on the basis of an agreement in principle with the bank advisory committee; in one of these cases the Executive Board approval was only in principle. In the remaining 5 cases the Executive Board approved the Fund arrangements while discussions between the countries concerned and the banks were still in progress; again one of these cases involved a Board approval in principle only.

This flexible approach has reflected the varied circumstances of member countries. In Gabon, a two year stand-by agreement was approved in December 1986; assurances on the provision of new money were left for the first review of the arrangement, mainly because the need for new funds was not imminent. Stand-by arrangements for Mexico and Nigeria were both approved in principle in 1986, on the basis of agreements with their respective advisory committees, and had one-month deadlines for securing a critical mass of commitments from creditor banks. In both cases, the deadline was not met and the Executive Board approvals lapsed, although for only a few days in Nigeria. Subsequently, the critical mass was secured and the stand-by arrangements were approved once again and then became effective. In the case of Nigeria, the new money package is hoped to be finalized in the coming months, although the Board already approved the Fund arrangement on January 30, 1987. It should be remembered, however, that the Nigerian authorities had previously announced their intention not to purchase under the Fund arrangement.

In Chile, the review under the extended arrangement was concluded in February 1987 and a purchase was effected on the basis of observance of end-1986 performance criteria and the completion of the review. The review was completed without financing assurances from banks, although a future review, which was a performance criterion, required that satisfactory external arrangements had to be in place by mid-May 1987. On June 17, 1987, an agreement was signed with banks on a financial package without a concerted loan as retiming of interest payments provided the needed financial support from banks. In other recent instances where reschedulings, but no new money, were required, such as the Philippines and Morocco, Executive Board approval was granted outright and reviews early in the program had to assess progress in obtaining external financing. In Argentina a program was approved in principle in February 1987, pending the attainment of the critical mass of bank financing. An

1/ A "critical mass" is the minimum amount of bank commitments to a new money package that gives reasonable assurance that the financing assumptions of an adjustment program are realistic.

agreement in principle was reached with the steering committee of banks in April 1987, and by mid-July sufficient funds had been committed to allow the arrangement to become effective.

The Executive Board approved a Fund arrangement for Bolivia even though relations between Bolivia and its creditor banks remained unresolved at that time. The medium-term scenario underlying the program assumed concessional restructuring terms. For purposes of the program, arrears to banks were excluded from the definition of arrears until end-1986; this deadline was subsequently extended, in order to give additional time for a negotiated agreement to be reached. In July 1987, agreement was reached on an arrangement to regularize relations with bank creditors.

b. Linkage

Banks have responded to pressure for financial assurances by seeking, in turn, to obtain safeguards from debtor countries concerning the implementation of sound economic policies and to influence the scale of contributions by the official community. Banks have generally phased their disbursements under new concerted lending packages in line with purchases under a Fund arrangement, thus linking their financial contribution to the implementation of appropriate macroeconomic policies by the debtor countries. Linkages to World Bank disbursements have also become more common as banks sought assurances concerning the implementation of structural reforms by debtor countries. In addition, virtually all recent agreements between debtor countries and commercial banks have included clauses concerning minimum amounts of debt relief from Paris Club creditors or financing from bilateral official sources.

These developments have further increased the complexity of financial packages, particularly as official creditors may have different views on what constitutes equitable burden sharing and because the flow of export credits reflects also the magnitude and composition of import demand. By contrast, in some cases where countries do not need concerted financing but still require a rescheduling of maturities, banks have accepted "delinking" from the use of Fund resources but not from Fund involvement, by insisting on provisions under which the member requests the initiation of enhanced surveillance procedures after the expiration of a Fund-supported program.

Recourse to linkages in loan agreements frequently takes the form of conditions precedent to the effective date of the agreements, to the availability dates under new money agreements, to the effective dates of the restructuring timetable, and in the form of events of default. In some instances such linkages have been unduly rigid and prevented the swift mobilization and disbursement of financial assistance. In other instances problems of a different nature may arise in areas such as cross-conditionality between World Bank and Fund disbursements, the precommitment of Fund resources, and requirements preventing members from repaying the Fund when their external position strengthens, contrary to what is stipulated in the Fund's Articles of Agreement. 1/

The most recent restructuring agreements between commercial banks and Argentina, Chile, Mexico, Nigeria, and the Philippines all have links to Fund programs or enhanced surveillance (see section below) and/or the World Bank and official creditors, thereby indicating the multiplicity and complexity of the linkages introduced in financial packages, even in cases where no new money is negotiated.

The Mexican bank agreement signed in March 1987 has links to the World Bank and official credit flows. Aside from the usual linkages to Fund disbursements, the general draw-down conditions for the four facilities comprising this financial package were as follows: 2/ through January 1, 1988, draw-downs will be linked to the effectiveness of, or drawings under, specified World Bank loans such as the Trade Policy Loan, the Export Development Loan, the Agricultural Credit/Sector Policy Loans, and the Industrial Reconversion Loans. In addition, the sixth draw-down, scheduled for January 1, 1988 is linked to gross disbursements by official bilateral sources in 1986-87 of not less than $2 billion and the effectiveness of bilateral agreements to implement the Agreed Paris Club Minute of September 17, 1986.

The agreement in principle with Nigeria stipulates that advances from creditor banks will be linked to the World Bank's Trade Policy and Export Development Loans. Conversion of these advances into a medium-term loan will, inter alia, be contingent on (1) Nigeria having obtained comparable reschedulings from the Paris Club and other official creditors on debt falling due during the 1986-87 period; and (2) Nigeria having utilized or contracted to utilize during 1986-87 export credit facilities and other bilateral assistance for an amount of at least $900 million. Linkages to the Fund specify that the stand-by agreement will have to be effective with Nigeria entitled to purchase all the amounts originally scheduled. This clause reflects the intention of the Nigerian authorities to seek Fund approval of their economic policies but not to make purchases under the stand-by agreement.

In the restructuring package for Chile signed in June 1987, linkages are less complex. Apart from linkages to a Fund program or, in the absence thereof, to enhanced consultations, disbursements are linked

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1/ These issues are examined in greater detail in "Implementation of the Debt Strategy - Current Issues" (EBS/87/38, 2/20/87), Section V.

2/ The total new money package consists fo four facilities: (1) a $5 billion Parallel Sectoral Financing Facility with the World Bank; (2) a $1 billion Transport Sector Cofinancing Facility with the World Bank; (3) a $0.5 billion Growth Contingency Cofinancing Facility with the World Bank; and (4) a $1.2 billion Contingent Investment Support Financing Facility.

to the effectiveness of a World Bank SAL--or a successor agreement--and the obtainment of $140 million of official debt relief. Eventually, Paris Club debt relief was obtained in April 1987, before a critical mass of banks approved the rescheduling.

Under the agreement in principle of March 1987 between the Philippines and its commercial banks the restructuring of original public sector maturities during the 1987-92 period will be linked to the Fund, the World Bank and official creditors. The rescheduling of 1987-88 maturities is conditional on the effectiveness of the World Bank Economic Recovery Loan. For the 1989-90 rescheduling, World Bank approval of the authorities' medium-term economic adjustment program will be required and the authorities will have to request a Paris Club rescheduling for the maturities falling due after July 1, 1988. An additional requirement is that official bilateral and multilateral sources must have been, in the aggregate, net providers of capital during the January 1987-November 1988 period and are expected to continue being net providers of capital during the 1989-90 period.

Other covenants with respect to the Paris Club relate to equitable burden sharing between official and private creditors and require the Philippine authorities to secure bilateral agreements for at least 70 percent of official debt covered by each multilateral Paris Club Minute within 12 months of signature. Another covenant stipulates that if conditions deteriorate and the Philippines is unable to obtain required external resources through normal market channels, it will seek to cover such shortfall through nonbank sources such as the World Bank, the Asian Development Bank, the Fund, and official bilateral sources.

The 1987 agreement in principle with Argentina includes parallel financing with the World Bank. One of the objectives of this was to link the commercial banks package more directly to World Bank financing; disbursements under every tranche of the parallel cofinancing loan will be linked to World Bank disbursements, notably to the Trade Policy and Export Diversification Loan Agreement. In addition there are linkages to reschedulings and commitments from official bilateral creditors. The conditions of availability for the first tranche of the 1987 term credit for Argentina require commitments from official bilateral creditors of $100 million to be disbursed in 1987 and a Paris Club rescheduling covering the January 1, 1986 through June 30, 1988 period. For disbursements under the fourth and penultimate tranche of the 1987 term credit agreement, scheduled to take place after the fourth (or third conditional) purchase under the Fund stand-by arrangement, one of the requirements is that $100 million of funds from official bilateral creditors will have been disbursed in the period subsequent to May 1, 1987.

c. Enhanced surveillance

In 1984-85 it became evident that some countries, which had achieved a significant degree of adjustment and were seen not to need immediate additional concerted financing, were still confronted with an excessive bunching of amortization obligations which appeared to present an obstacle to the restoration of normal financial market relations. Multiyear restructuring agreements (MYRAs) were developed to reach a more realistic debt-servicing profile. To facilitate agreement on MYRAs, a new form of Fund monitoring--enhanced surveillance--was introduced. It is agreed to at the request of the debtor country.

The key objectives of enhanced surveillance are to improve the member's capacity to design, implement and monitor economic policies and to provide information about those policies to creditors; to support bank's risk evaluation through timely and comprehensive information and through the Fund's forward-looking assessment of domestic policies; and to foster a shift in responsibility for lending decisions back to commercial banks by avoiding on/off financing indications from the Fund.

In the March 1987 review, 1/ Executive Directors endorsed continuation of the enhanced surveillance procedure in appropriate cases as a useful means of facilitating a return to more normal market relations. However, they emphasized that close attention in approving enhanced surveillance both to the criterion that the member had a strong record of adjustment and to the continued willingness of creditors to exercise appropriate influence were essential if the procedure was to be effective. The issues of influence on debtor countries' policies and whether enhanced surveillance should continue in case of inadequate cooperation by the member were also raised. 2/

Enhanced surveillance has been approved by the Board in the cases of Mexico, Ecuador, Venezuela, Yugoslavia, and, in July 1987, Uruguay. Enhanced surveillance for Mexico was due to begin in January 1986, after the Fund extended arrangement approved in 1982 had expired as part of the 1985 restructuring agreement with commercial banks. In light of Mexico's renewed external payments difficulties, however, the enhanced surveillance procedure was not initiated. Instead, a request for use of Fund resources by Mexico was approved by the Executive Board in November 1986.

In Ecuador, the official and bank MYRAs envisaged enhanced surveillance starting only after the existing Fund arrangement expired in mid-1987. Enhanced surveillance was to continue for 10 years, until the last amortization payment under the 1985-89 MYRA was effected. However, during January and February 1987, Ecuador fell behind on the service of its debt to banks; in March 1987, it was struck by an earthquake which destroyed significant sections of the oil and gas pipelines and other infrastructure. In light of these events, the authorities

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1/ See the Chairman's Summing Up at the Conclusion of the Discussion on "Implementation of the Debt Strategy - Current Issues," Executive Board Meeting 87/50, March 18, 1987 (SUR/87/32, 3/23/87).

2/ See "Implementation of the Debt Strategy - Current Issues," (EBS/87/38, 2/20/87), Section VI.

thought that the economic program supported by a Fund stand-by arrangement was no longer viable and requested its cancellation. No enhanced surveillance reports have been prepared for Ecuador.

Only Venezuela and Yugoslavia have enhanced surveillance procedures that actually have been implemented so far. Venezuela's request for enhanced surveillance was approved by the Executive Board in May 1985 to support a bank MYRA that covers 1983-88 maturities. The first two semi-annual staff reports under enhanced surveillance were not distributed to the banks as the MYRA had not been signed, but the third report, which was discussed by the Executive Board in July 1986, was given to the banks subsequent to the ratification of the MYRA in early October 1986. A fourth report under enhanced surveillance was discussed by the Executive Board in March 1987--after an agreement in principle amending the MYRA was reached--and distributed to the banks. The next consultation discussion is scheduled for Executive Board discussion in early October.

Enhanced surveillance for Yugoslavia began upon expiration of a stand-by arrangement with the Fund in May 1986 and is to continue through 1991, in connection with refinancing agreements with official creditors as well as commercial banks. The bank MYRA for Yugoslavia covers restructuring of maturities falling due in 1985-88, with the final amortization payments in 1996. The first report under enhanced surveillance was discussed by the Executive Board in August 1986 and the Executive Board discussion for the 1986 Article IV consultation took place in March 1987. In both instances staff reports were made available to commercial banks. At the end of June 1987 the Yugoslav authorities requested commercial banks to grant a three-month delay on some $250 million of principal falling due in June-July 1987. Yugoslavia's lead banks consented to this request in early July. The midyear 1987 consultation is to be concluded by the Executive Board on August 21, 1987.

On September 27, 1985 the Executive Board approved Uruguay's request for an 18-month stand-by arrangement. Subsequent to the expiration of that arrangement, the authorities requested from the Fund enhanced Article IV surveillance through 1989, which would correspond to the consolidation period under Uruguay's bank MYRA. The authorities adopted a quantified economic program for 1987-88, with quarterly targets for the main macroeconomic policies. Over the program period, the Government will also implement a number of structural policies, including a reform of the social security system and a reduction in both the level and the dispersion of effective tariff protection, which are to be supported by a World Bank SAL approved on June 16, 1987. The Executive Board approved the request for enhanced surveillance on July 29, 1987.

Interest in enhanced surveillance procedure continues to prevail and in four recently agreed MYRAs (Cote d'Ivoire, the Dominican Republic, Chile, and the Philippines) the possibility of enhanced surveillance is envisaged in each of these MYRAs after the expiration of an arrangement to use Fund resources. Whether enhanced surveillance will be appropriate in these cases, will be a decision for the Board to take in light of the then prevailing circumstances of the members and the Fund's policies on enhanced surveillance.

3. Deferments and other arrangements

As an immediate, temporary response to a marked deterioration in their ability to service external debt as scheduled, several countries have announced moratoria or agreed to standstills with their creditor banks. These arrangements are generally for a transitional period until a medium-term financial package can be negotiated. For example, Mexico and Venezuela agreed with banks to defer amortization payments while negotiating recent restructuring packages whereas Brazil announced a moratorium on interest payments on medium-term bank debt until relations with creditor banks could be regularized. In some cases, deferment agreements, which usually postpone principal payments for six to twelve months at the originally contracted terms, are repeatedly rolled over (e.g., Bolivia, Guyana, Nicaragua, and Zaire) without a medium-term agreement, lapsing into arrears over time with a consequent deterioration in creditor/debtor relations.

Some debtor countries, as a possible alternative to deferment agreements and new financing packages, have announced unilateral limitations on debt service payments. Such policies, if implemented, would effect a reduction of actual amortization and interest payments, but abrogate regular creditor-debtor relations. In general, countries that have announced unilateral restrictions acknowledge their full contractual obligations, but they propose to base actual debt service payments on a selected measure of "ability to pay," such as a percentage of exports, variously defined, or as a percentage of GDP. Of the countries that have announced such limitations (Brazil, Côte d'Ivoire, Nigeria, Peru, Zaire, and Zambia), most have not actually restricted debt service payments in exact accordance with their announced policies.

Unilateral actions by debtors in some cases have generally led to an accumulation of payments arrears, including interest arrears. Banks are reluctant, however, to reschedule interest arrears, and relatively few restructuring agreements provide for the rescheduling of interest in arrears. Bolivia's normalization plan of 1983 included a payment schedule for interest arrears, while the 1983 restructuring agreement with Costa Rica rescheduled interest arrears or certificates of deposit held by banks accumulated prior to that year. Three restructuring agreements with Nicaragua (1980-82), two with Sudan (1982, 1985), and one with Togo (1980), provide for the rescheduling of interest arrears. Moreover, Honduras has recently concluded a rescheduling agreement with its bank creditors that will include some refinancing of interest arrears.

4. Bridge financing

Debtor countries often approach the Fund and their major creditors to request financial support for their economic programs in a situation where their international reserves are at very low levels, commercial and official arrears are substantial, and their access to spontaneous commercial financing has been virtually exhausted. From that time until the first disbursement under any new financing arrangement, several months may elapse. Under these circumstances short-term bridge finance may enable a country to regularize its arrears and/or to remain current on its external obligations.

Bridge financing arrangements have often been put together at the initiative of the monetary authorities of industrial countries, who in turn may request the participation of other central banks, governments, and bank creditors. The Bank for International Settlements has also played an important role both as creditor and as coordinator. Commercial banks--particularly those banks on the advisory committee--have gradually taken a more active role in providing bridge finance. The early participation of a selected group of banks has sometimes been seen as positive, concrete signal to other creditor banks of their commitment to the package. As a general principle, lenders--whether official or commercial--have requested and obtained repayment from the first disbursement from a specific medium-term loan (i.e., a Fund arrangement, World Bank loans, and/or new money from commercial banks).

At the height of the debt-servicing difficulties in 1982-83, use of bridge loans reached an unprecedented scale. Eight bridge loans were arranged for major borrowers in an amount of about \$10 billion during 1982-83 (Table 9). The largest arrangements were for Brazil (\$3.9 billion in 1982 and \$1.3 billion in 1983), Mexico (\$3.6 billion in 1982), and Argentina (\$2.1 billion in 1983). Argentina, Chile, Hungary, and Yugoslavia also had arrangements for smaller amounts during this period. By end-1983, most of these loans had been repaid. During 1984-85, only four bridge loans were arranged (Argentina, Costa Rica, Dominican Republic, and Zambia) for \$1.2 billion, although only \$224 million was utilized. Some of the unpaid amounts to banks under these operations were subsequently restructured.

The resurgence of payments difficulties in 1986-87 increased the use of bridge loans. During 1986 to mid-1987, bridge loans totaled about \$2.2 billion. As in the past, the official sector provided the bulk--60 percent--of the bridge finance, although this represented a smaller share than during 1982-85 when official creditors provided 80 percent of the total. A bridge loan for Mexico in an amount of \$1.6 billion was agreed in mid-1986 with \$1.1 billion from official creditors and \$500 million from commercial banks. Official sources provided about \$850 million in August 1986, prior to the approval in principle of the Fund arrangement. The remaining \$250 million from official sources, together with the commercial bank portion was drawn in

Table 9. Selected Bridge Financing Arrangements,
1982-First Half 1987 1/

(In millions of U.S. dollars)

	1982	1983	1984	1985	1986	Jan.-June 1987
Argentina	500	1,100	1,000 2/	--	--	--
Brazil	3,907 3/	1,295 3/	--	--	--	--
Chile	--	450 2/	--	--	--	225 4/
Costa Rica	--	--	50 5/	--	--	--
Dominican Republic	--	--	--	24 6/	--	--
Hungary	510	--	--	--	--	--
Jamaica	--	--	--	--	--	40 7/
Mexico	3,600 8/	--	--	--	1,600 9/	--
Nigeria	--	--	--	--	250 10/	--
Sierra Leone	--	--	--	--	6 11/	--
Somalia	--	--	--	--	17 12/	22 13/
Uganda	--	--	--	--	--	45 14/
Yugoslavia	500	--	--	--	--	--
Zambia	--	--	--	145 15/	--	--
Maximum Available	9,017	2,845	1,050	169	1,873	332

Sources: BIS Annual Reports 82-84; Fund documents and correspondence; and credit and restructuring arrangements.

1/ Maximum gross amounts. Unless otherwise stated, loans were disbursed and repaid within indicated period.

2/ Loan was not disbursed.

3/ The amounts shown for 1982 and 1983 correspond to total gross disbursements; US$1,480 million of the US Treasury, $1,450 by the BIS including US$250 million of Saudi Arabia, and US$2,646 million from commercial banks. All loans were repaid by mid-83.

4/ Provided by the BIS. Loan was only partly disbursed by end-June.

5/ Support to this facility was provided by the Central Bank of Mexico. There was only a partial repayment and the remainder was subsequently restructured.

6/ Support to this facility was provided by the Central Bank of Mexico.

7/ Support provided by commercial banks only. Loan fully repaid by end February-87.

8/ Include lines of credit and swap operations made available to Mexico during the period March 1982 and December 1982. It includes swaps with Spain and France for US$450 million, and the US FRB for US$1,300. It also includes facilities supported by the BIS (US$925 million), the U.S. Treasury (US$600 million) and the U.S. FRB (US$325). At the end of 1982, the combined outstanding balance on all these facilities amounted to US$ 1,953 million. By mid 1983, however all these loans had been fully repaid.

9/ US$1,100 million was supported by official sources, and US$500 million by commercial banks. All loans were repaid by April 1987.

10/ Support provided by the central banks of France, Japan, the United Kingdom, and the U.S. plus the KfW in Germany. Only US$ 150 million was used. Loan was repaid before end-86.

11/ Facility was supported by commercial banks only and was provided together with a medium term loan of about US$30 million.

12/ Fully repaid by the end of 1986.

13/ Bank financing only. Bridge to the first purchase under Fund-supported program.

14/ Bank financing only. Bridge to the first purchase under the SAF and CFF.

15/ As of the end of May-87 there was an outstanding amount equivalent to about US$ 8 million. The proceeds of the loan were used to bridge the first purchase under a Fund-supported program for 1986. Subsequently, the repayment was postponed to bridge the second purchase under the program, but this never materialized.

December 1986 when the commercial bank financing commitments reached the critical mass. The commercial bank portion of the bridge loan was fully repaid at the end of April 1987, when the first tranche under the concerted loan was disbursed. At that time, bridge financing provided by official creditors had already been fully repaid.

In February 1987, the BIS authorized a bridge loan of $225 million for Chile. This loan is expected to help Chile cover a temporary shortfall in its external financing during 1987 that results from the delayed impact on Chile's cash flow of the interest retiming in the restructuring agreement; by mid-1988, the interest retiming will provide sufficient cash relief to repay the bridge loan. The bridge loan for Jamaica in 1986 was exclusively supported by commercial banks and bridged to the first purchase under a Fund agreement.

Bridge financing arrangements for African countries during the period 1986 to June 1987 were organized in five instances (Sierra Leone (1986), Uganda (1987), Somalia (1986 and 1987), and Nigeria (1986)). Combined access to bridge financing for these countries amounted to $340 million and these resources constituted a bridge either to purchases of Fund resources or disbursements under a World Bank loan.

IV Financing Modalities

Financial modalities in bank financial packages have evolved considerably since 1982 (Chart 4). The initial 1982-83 round of bank financial packages was largely undifferentiated financing for the central government, with restructuring agreements that transformed private sector debt, often publicly guaranteed, into direct public sector debt. The terms on these loans reflected the perceived temporary nature of debtor country's debt-servicing difficulties. Consolidation periods covered only one or two years, maturities ranged up to ten years, and spreads were typically increased to about 2-2 1/4 percent above LIBOR.

The next financing round in 1984-85 saw the use of certain financial modalities--currency redenomination, interest retiming, onlending/relending, trade facilities, cofinancing, debt conversions--and modifications in terms. These adaptations reflected a desire to tune these packages more closely to the needs of both the creditors and debtor. On the creditor side, these new modalities were seen as a technique to facilitate participation in financial packages by shaping these packages to the business interests of banks, and to their regulatory, tax, and accounting environments. On the debtor side, an improvement of terms--lower spreads, reduction or elimination of fees, multiyear consolidation periods, and extension of maturities--has provided additional debt relief, while utilizing financial modalities that are prevalent on international capital markets. These modalities were described in last year's capital market report ("International Capital Markets--Recent Developments, 1986" (SM/86/201, 8/14/86)). An update of the use of "traditional" financing modalities is contained in subsection 1, while in subsection 2 certain further innovations in bank financing modalities--the menu approach--are described.

1. Traditional modalities

a. Currency (re)denominations

Under most recent new money packages and restructuring agreements (or agreements in principle), banks have the option to denominate new loans and to redenominate existing loans in their domestic currencies, if eligible, or the ECU. Such (re)denominations provide banks with an asset management technique that can reduce funding risks, reduce exchange rate induced movements in capital asset ratios, and perhaps lower funding costs. For debtor countries, currency diversification may lessen the impact of exchange rate movements on debt service payments, particularly if the currency mix of debt service payments becomes broadly comparable to the currency composition of a country's export receipts. However, the overall benefit for a debtor from currency redenomination depends to a large extent on the timing of such a transaction. The switch from the dollar to a low-interest currency in early 1985, for example, would have been costly as the dollar weakened considerably afterwards.

Currency (re)denomination options exist in new money packages and restructuring agreements concluded in 1986 and early 1987 with nine countries (Argentina, Brazil, Chile, Mexico, Mozambique, Nigeria, the Philippines, Uruguay and Venezuela). In general, bank creditors whose domestic currency is internationally convertible are eligible to (re)denominate their claims in that currency; although, limits on the amount that can be (re)denominated exist in some cases. Banks of EC member countries also have the option to (re)denominate in ECUs. Creditors whose domestic currency is ineligible often may (re)denominate in U.S. dollars, ECUs or a specified convertible currency. Election of the (re)denomination option for all or part of any bank's claims generally is a one-time choice which must be exercised either on or before the date the debt becomes subject to the refinancing agreement.

The 1987 package for Argentina includes procedures for the conversion over time, and at the option of the lender, of a substantial portion of outstanding claims. Eligible is up to 75 percent of debt with maturities originally falling due on or after January 1986, and up to 40 percent of previously rescheduled maturities. Election of this option must be made within six months of the date on which the agreement becomes effective. The redenominations are scheduled for implementation over a 2 1/2 year period. Under previous restructuring agreements with Argentina, significant amounts of rescheduled debt are believed to have been redenominated from U.S. dollars to Japanese yen and deutsche marks; the exact amounts are not known.

Chart 4

Financing Instruments and Options in New Money Packages (NM) and Restructurings of Bank Debt (R) of Selected Developing Countries, 1983-87 1/

Country	Currency (Re)denomination	Interest Rate Options 2/	On-lending/ Re-lending	New Trade Facilities	Debt Conversions	World Bank Cofinancing/ Parallel Financing	Retiming	Securitization	Alternative Participation Instruments
1987									
Argentina	NM,R	NM,R	NM,R	NM	NM,R	NM 3/	R	NM	R
Chile	R	R	R		R		R		
Philippines	R	R	R		R			R 4/	
Venezuela	R	R	R		R				
1986									
Brazil	R	R	R		R				
Mexico	NM,R	NM,R	NM		NM,R	NM 5/			
Nigeria	NM,R	NM,R			R				
1985									
Chile	NM,R	NM,R	NM,R		NM,R	NM 5/	R		
1984									
Argentina	NM,R	NM,R	NM	NM					
Brazil	NM,R	NM,R	NM,R						
Chile	NM	NM							
Mexico	NM	NM							
Philippines	NM,R	NM,R	NM 6/	NM					
Venezuela	R	R	R						
1983									
Argentina	NM	NM							
Brazil	NM,R	NM,R	NM,R						
Chile	NM,R	NM,R							
Mexico	NM,R	NM,R							

Sources: *New financing and restructuring agreements.*

1/ Classified by year of agreement in principle.
2/ Libor and domestic floating rate options or fixed rate options.
3/ Parellel financing.
4/ Philippine investment notes.
5/ Guarantees.
6/ Revolving short-term trade facility.

Chile's 1987 bank debt restructuring agreement allows any bank to redenominate claims into its home currency, if eligible; banks for whom no 12 month interest rate exists in their home currency may switch to U.S. dollars. Election of this option must be made 60 days prior to the first retiming date. 1/ The exercise of redenomination options in Chile's 1983 and 1984 restructuring agreements resulted in a reduction of U.S. dollar-denominated claims from 96 percent to 88 percent of the restructured debt. Banks switched primarily to deutsche marks, Japanese yen, Swiss francs and Canadian dollars. The currency denomination of the 1983-85 new money contributions also shifted away from U.S. dollars, as well as Swiss francs, into Japanese yen and deutsche marks.

Mexico's 1985 bank debt restructuring agreement allowed any bank to redenominate claims on its home currency for any credit eligible for conversion. Each bank was able, at its option, to convert 50 percent, 40 percent, or 30 percent of one or more of its credits eligible for conversion, provided that this request was made before January 10, 1986 (five months after the signing of the restructuring agreement). The 1987 bank debt restructuring amendment allows any bank to redenominate claims on its home currency for any credit eligible for conversion up to 45 calendar days after the closing day of the agreement.

The MYRA for Uruguay permits banks to redenominate the principal restructured at each annual advance. This selection can be changed prior to each annual advance date during the consolidation period. So far, Japanese, German, and Swiss banks have redenominated only a small amount of eligible debt to their domestic currencies. The 1987 agreement with the Philippines permits the (re)denomination of original public sector debt with maturities falling due during 1987-92.

b. Interest rate options

As a counterpart to currency (re)denomination options, many recent new money packages and restructuring agreements provide banks with alternative interest rate bases to which the spread is added for some eligible currencies. Such provisions allow banks to choose LIBOR, a domestic rate (typically a market-determined cost of funds rate adjusted for reserve requirements and deposit insurance premiums), the prime rate or a fixed rate. All interest rate options are not necessarily available for each currency. Most recent agreements have excluded the prime rate option as a U.S. dollar interest rate base. Borrowers may benefit from lower intermediation costs, and from lower financing costs to the extent interest charges are more market-related. Debtor countries' vulnerability to future increases in interest rates may be reduced to the extent that their external debt is converted to a fixed interest rate.

1/ For the significance of the 12 month interest rate and retiming date, refer to the section on retiming below.

Interest base options exist in restructuring agreements (or agreements in principle) concluded during 1986-mid 1987 with Argentina, Chile, Mexico, Mozambique, Nigeria, the Philippines, Uruguay and Venezuela. In Chile, two thirds of all debt that was restructured in 1983-84 and that is denominated in Japanese yen or Swiss francs was converted to a fixed interest rate basis. However, all of such debt denominated in deutsche marks remained on a floating rate basis.

Overall, in the countries where this option together with the currency redenomination option exists, most of the bank debt was switched from a variable to a fixed rate basis and was converted into low-interest currencies such as the Japanese yen, the deutsche mark, and the Swiss franc. In the medium-term, if the present trend continues, more than one-quarter of bank debt could be denominated in low-interest currencies at fixed rates.

c. Interest retiming

Interest retiming essentially extends the interval between interest payments, permitting a country to defer one or more interest payments. The interest base option is usually adjusted to reflect the extended interest periods. For example, associated with a switch from quarterly to semiannual interest payments would be a change from a three to a six month LIBOR interest base. Retiming thus enables banks to extend finance without committing new money.

Experience with retiming is confined to three bank agreements (Chile in 1985 and in 1987 and Argentina in 1987). The 1985 restructuring agreement and new money package with Chile extended the interest period from three months to six months. The 1987 package for Chile further extended the interest period from six months to one year; retiming is scheduled to commence in the second half of 1988. Interest payments originally scheduled for that semester, amounting to an estimated $447 million, would be postponed until the first half of 1989. Under the agreement, interest payments would revert to a six monthly schedule between 1991 and 1993. The 1987 agreement in principle with Argentina extends the interest payment period for the 1983 and 1985 Term Credit Agreement from three months to six months.

d. Onlending and relending

Onlending and relending allow banks to reallocate credit to different debtors in the same country without increasing their overall exposure. Onlending occurs when the lenders and original borrower, usually a public sector entity, agree that the proceeds of a new money loan will be transferred to a new obligor who assumes the responsibility to repay from the original borrower. The lender usually assumes the credit risk that stems from transfer to a new borrower. Relending involves the repayment of an outstanding debt by the original borrower; the lender then relends those proceeds to other borrowers in the country. Both relending and on-lending enable banks to develop business relationships with clients in developing countries, to support the export activities of their customers in industrial countries, and, more generally, to reallocate credit risks among different borrowers within a particular country.

Provisions for onlending and relending exist in the 1986-87 restructuring and new money agreements with Argentina, Brazil, Chile, Mexico, Morocco, the Philippines and Venezuela. While the principal features of these provisions have been described in previous reports on international capital markets, two aspects merit particular emphasis. First, to the extent onlending and relending induce a more rapid and unpredictable expansion of domestic credit to the private sector, these provisions will affect monetary developments and the design of Fund programs. Second, onlending and relending expand the role of international banks in the domestic capital markets of developing countries. To mitigate these effects, many agreements include restrictions on the scale of onlending and relending operations.

The 1987 restructuring agreement with Argentina increases the amount of onlending permitted under the 1983 term credit agreements by $500 million. In addition, all onlending under the 1983 and 1985 new money agreements are subject to a combined quota of $600 million over five years and to monthly limits on the rate at which onlending transactions can take place. During 1986, $422 million was onlent in Argentina, while an additional $75 million was onlent during the first four months of 1987. The 1986 restructuring agreement with Brazil provides for the possibility of relending at least $1.2 billion of the rescheduled principal that was due in 1985. Moreover, relending is permitted under the 1983 and 1984 restructuring agreements. During 1986 $1 billion was relent, and about $260 million during the first quarter of 1987. The Central Bank's policy is to allow for an increase in relending in 1987 compared with 1986.

Chile's 1987 financial package provides for an increase in the amount of relending permitted under the 1985 term credit agreement and the 1985-87 restructuring agreement. Under the former, the maximum relending amount will be increased from $80 million to $105 million after January 1988. Under the latter, the maximum relending amount will be increased from $130 million to $200 million after January 1988. Relending and onlending operations totaled $28 million in 1986 and $49 million during the first five months of 1987. The central bank recently placed restrictions on relending and onlending, as the scheme was being used to circumvent the official debt conversion program.

The 1987 restructuring agreement with the Philippines extends the debt eligible for relending to include all Central Bank obligations covered by the agreement. Previously, only private sector debt assumed by the Central Bank and not assigned or transferred by creditors was eligible for relending. Under this provision of the 1985 restructuring agreement, $4 million was relent.

e. New trade credit facilities

To reduce the size of general purpose bank finance and to facilitate the assembly of the financed packages, new trade credit facilities have been incorporated in these packages. Such facilities enable banks to maintain closer ties with customers in both the debtor country and in industrial countries, while providing additional finance for a country's imports. Moreover, some banks view debtor countries as assigning a higher priority to servicing trade-related debt; thus such lending could have reduced risks for banks.

New money in the form of trade credit facilities has been extended to Argentina and Costa Rica. The 1985 Argentina financing package included a $500 million medium-term trade credit facility, while the 1987 agreement in principle includes a $400 million trade credit facility with a maturity of four years. The 1985 restructuring agreement with Costa Rica included a $75 million increase in an existing revolving trade credit facility. The 1982 financing agreement with Poland restructured certain interest due as a $355 million short-term revolving trade credit facility. Subsequent agreements in 1983 and 1984 ultimately increased the facility to $800 million.

f. Cofinancing 1/

The World Bank began cofinancing operations with commercial lenders in 1983, and currently uses three techniques for this purpose: (1) direct participation in the longer maturity portion of a commercial loan, which is intended to encourage banks to extend their own maturities and to achieve a lengthening of maturities beyond the point to which the commercial banks would normally commit themselves; (2) a guarantee by the World Bank of the later maturities of a loan made by commercial banks, which provides an incentive for the co-lenders to finance longer maturities than would otherwise be the case; and (3) the assumption by the World Bank of a contingent obligation to increase its participation in the loan in the event of interest rate increases for commercial loans designed with fixed repayment installments, but combining floating interest rate and variable principal components.

Although cofinancing normally involves direct World Bank lending as well, the World Bank also has been willing to consider the selective use of guarantees and other cofinancing instruments in heavily indebted countries on a case-by-case basis. The World Bank has recently made use of such guarantees in the cases of Mexico and Uruguay, both of which involved some innovative features. In the case of Uruguay, the guarantee was extended in the context of a bank financing package

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1/ A paper on "Multilateral Development Banks - Recent Activities" (SM/86/208, 8/20/86) provided background information on the lending activities of multilateral development banks. This section summarizes recent developments in cofinancing.

arranged in connection with the 1986 MYRA (although the commercial bank loan was not disbursed until March 1987). In the case of Mexico, a guarantee was granted for up to 50 percent of commercial bank disbursements under the growth contingency cofinancing facility. In the concerted lending package for Argentina arranged in April 1987, there is no formal cofinancing arrangement with the World Bank but the disbursement of $500 million of the commercial bank loan is conditioned on the disbursement of a $500 million Trade Policy and Export Diversification loan from the World Bank ("parallel financing").

The Inter-American Development Bank (IDB) initiated its complementary financing program in 1976 in an effort to secure additional private financing for Latin America by channeling resources from private commercial banks and other financial institutions through the IDB to projects in Latin America. Under the program, the IDB signs two loan agreements with the borrower. One loan is retained in the IDB's own portfolio, while the other is sold to commercial banks at prenegotiated terms. Both loans are subject to IDB policies on default and rescheduling. There is no legal connection between the borrower and the participant commercial bank, nor is there any recourse by the participant bank against IDB, so long as the latter acts in good faith and exercises the same care in administering the loan as it does in relation to loans funded from its own resources. The IDB administers all aspects of the loan, ensures that the proceeds are devoted entirely to the project in question, and collects the repayments and interest from the borrower and passes them on without charge to the participants. The IDB was involved in only one complementary financing loan during 1986-87, a small loan to Uruguay (Appendix Table 42). The IDB has also arranged cofinancing operations with both private and official lenders in Chile during 1986 and in other heavily indebted countries in previous years.

The African Development Bank (AfDB) has used cofinancing operations for both project and nonproject lending in partnership with a large number of regional or multilateral development banks and bilateral donors but not with commercial banks (Appendix Table 43). The Asian Development Bank (AsDB) actively pursues cofinancing operations with official and commercial sources, typically providing most of the resources in such operations. Although the AsDB has available a variety of cofinancing techniques, most cofinancings with commercial banks have been of two kinds--parallel loans and participation financing. Parallel loans allow the AsDB and the commercial banks to administer their loans independently. Participation financing involves purchase by commercial banks of all or part of the AsDB loan, albeit without the legal guarantee of the AsDB in the event of default by the borrower.

Under a third technique (the Complementary Financing Scheme), which is similar to the IDB complementary financing program, the AsDB signs two loan agreements with the borrower. One loan is held in the AsDB's own portfolio, while the other is sold to commercial banks on prenegotiated terms. The commercial banks do not receive a formal guarantee from the AsDB, but the AsDB remains the lender of record. A default on, or rescheduling of, the complementary loan purchased by commercial banks would involve a direct default or rescheduling between the borrower and the AsDB. Because of the consequences this would entail for the borrower's relations with the AsDB, such loans are believed to involve a lower risk of default or rescheduling. In 1986, the only AsDB cofinancing involving commercial banks was a complementary financing for Bangladesh with $9 million from commercial banks, $26 million from the Asian Development Fund, and $25 million from other official creditors (Appendix Table 44).

g. Debt conversion

Debt conversion schemes have been established in several debtor countries (e.g., Argentina, Brazil, Chile, Costa Rica, Ecuador, Mexico, the Philippines, and Venezuela), as a means of benefiting from the prevailing discounts on sovereign debt in secondary markets. Such schemes are also under active consideration in a number of other developing countries (e.g., Guatemala, Honduras, Jamaica, Morocco, and Nigeria). During the period 1984-June 1987, an estimated $4.5 billion in bank debt was converted under officially recognized schemes (Table 10). This amount represents nearly 2 percent of outstanding bank debt to those debtor countries with active conversion schemes, although in some cases a substantially larger share of bank debt has been retired (e.g., in Chile 13 percent of the bank debt has been converted).

These conversion schemes are of two general types: debt conversions by foreigners and debt conversions by nationals. Foreign banks may utilize their own loan claims to swap into an equity investment, usually in a financial institution, while foreign nonbanks may purchase loan claims at a discount in the secondary market to finance direct investment or perhaps purchases of domestic financial assets, benefiting from the redemption at near par by the authorities. Resident nationals of the country may also purchase bank loan claims at a discount, employing their own external assets (e.g., flight capital) in order to convert them into domestic financial assets.

While conversion schemes have a variety of features, reflecting the need to tailor such schemes to the circumstances of each country, certain similarities exist among them (Table 11). In addition to permitting the participation of both nonresident and resident investors, debt conversion schemes have permitted the conversion of both public and private sector external debt. Bank claims are often retired at face value, even if purchased at a discount, but frequently there is some mechanism by which the debtor country benefits immediately from this lower price in the secondary market. Conversion schemes typically impose restrictions on profit remittances and capital repatriation beyond those restrictions that would apply on other types of foreign investment. Moreover, some countries require matching foreign exchange inflows to offset the economic impact of early debt retirement. In addition to the conversion schemes mentioned below, many countries,

Table 10. Debt Conversions, 1984-First Half 1987 1/
(In millions of U.S. dollars)

	1984	1985	1986 (Estimated)	1987 Jan.-June
Argentina	31	469 2/	--	--
Brazil	731	537	176	67 3/
Chile	--	371 4/	969 4/	427 5/
Costa Rica	--	--	15	47
Ecuador	--	--	--	15 5/
Mexico	--	--	412	203 6/
Philippines	--	--	15	56

Sources: Central Bank of Argentina; Central Bank of Brazil; Central Bank of Chile; Mexico, Ministry of Finance; Central Bank of Philippines; and Fund staff estimates.

1/ Face value of debt converted under officially recognized schemes.
2/ The annual breakdown of conversions is estimated.
3/ January-April 1987.
4/ Of the total conversions 1985-86, an estimated $152 million was capitalized under the Foreign Investment Law (DL 600); $229 million was converted into equity with remittance rights under Chapter XIX; $526 million was converted without remittance rights under Chapter XVIII, and the remainder involved portfolio swaps and write-offs agreed between foreign creditors and domestic debtors mainly in the private sector.
5/ January-March 1987.
6/ As of March 31, 1987, 107 conversions with a face value of $1,514 million had been approved.

Table 11. Features of Debt Conversion Schemes

	Argentina	Brazil	Chile 1/	Costa Rica	Ecuador	Mexico	Philippines	Venezuela
Eligible investors								
Nonresidents								
Any creditor	x		x	x	x	x	x	x
Original creditor only		x 2/						
Residents	x		x	x	x	x	x	
Eligible external debt								
Public sector	x	x	x	x	x	x 3/	x 4/	x
Private sector	x	x	x		x		x	
Exchange rate for conversion								
Official exchange rate	x	x	x	x	x		x	x
Parallel exchange rates						x 5/		
Valuation of debt for conversion								
Face value		x			x		x 6/	
Below face value	x 7/		x 8/	x		x 9/		x 10/
Eligible domestic investments								
Equity								
Parastatal enterprises		x	x			x	x	x
Private companies	x	x	x	x	x	x	x	x
Original obligator only	x 11/							
Debt								
Public sector			x	x				
Private sector			x					
Repayment of domestic obligations			x			x		
Restrictions on eligible investments								
Restrictions on capital repatriations								
Same as for all foreign investment		x						
More restrictive than the above	x		x	x	x	x	x	x
Restrictions on profit remittances								
Same as for all foreign investment		x						
More restrictive than the above	x		x	x	x	x	x	x
Other features								
Limit on value of conversions	x		x	x				
Auction of conversion rights	x		x 12/					
Conversion fees						x	x	
Additional foreign exchange required	x		x	x		x 13/		x
Tax credits		x 14/						

Sources: Argentine Republic, 1987 Refinancing Plan; Brazil, Foreign Investment Law (Law No. 4.131 and Decree No. 55.762); Central Bank of Chile, Compendium of Rules on International Exchage; Central Bank of Costa Rica, A Guide for Converting Foreign Debt Securities Issued by the Central Bank of Costa Rica into Colones; Central Bank of Educador, Monetary Board Circular Nos. 395-86 and 408-87; Mexico, National Commission on Foreign Investment, Manual Operative para la Capitalizacion de Pasivos y Sustitucion de Deuda Publica por Inversion; Central Bank of Philippines, Circular No. 1111, series of 1986; Venezuela, Office of the President of the Republic, Decree No. 1521.

1/ Compendium of Rules on International Exchange, Chapters XIX and XVIII.
2/ After 1984, any nonresident could participate.
3/ Rescheduled debt only.
4/ Rescheduled debt and debt that falls due on or after January 1, 1987.
5/ Free market exchange rate.
6/ Debt redeemed at face value, but conversion fees apply.
7/ Discount, if any, determined by an auction.
8/ Conversions of public sector debt are subject to a small discount; conversion terms of private sector debt are negotiable.
9/ Valued at between 75 and 100 percent of face value depending on priority of investment.
10/ Discount, if any, determined by newly formed commission with oversight responsibility.
11/ Private sector debt only.
12/ Chapter XVIII investments only.
13/ Investments in the nonpriority sectors only.
14/ Introduced December 1982; eliminated June 1984.

including Argentina, Chile and Venezuela, permit the relatively unrestricted conversion of private sector debt into equity of the original debtor.

Some general issues have arisen concerning the economic impact of debt conversion: These concerns include implications on availability of foreign savings to the economy; the impact on domestic spending and the associated implications for financial policies; and the longer term signals provided by such schemes to creditors and foreign investors, which could affect a debtor country's future access to spontaneous finance. These issues were discussed in greater detail in "Implementation of the Debt Strategy" (EBS/87/38, 2/20/87).

(i) Recent country experience

Debt conversion schemes in Argentina, Brazil, Chile, Mexico, and the Philippines were described in "Implementation of the Debt Strategy - Current Issues" (EBS/87/38, 3/9/87, Supplement 1). This section summarizes recent developments.

In accordance with the 1987 new financing agreement with foreign banks, the Central Bank of Argentina announced in June 1987 the legal framework for a new debt conversion scheme. In general, both nonresident and resident investors may convert public and private sector debt, except for short-term trade credits and debt guaranteed or insured by official creditors, into eligible equity investments. Alternative participation instruments (see Section IV.2.a.), however, will only become eligible for conversion eight years after their issuance. Eligible investments include purchases of new plant equipment or reductions in outstanding long-term rediscount facilities or loans funded by such facilities. Private sector debt may only be converted into equity investments in the entity of the original borrower. Private sector borrowers, however, may transfer their obligation to other debtors, given the consent of the creditor and Central Bank.

Under this scheme, debt can be converted to local currency at full face value and at the official exchange rate, subject to bimonthly limits on the value of conversions. If applications exceed the bimonthly limits, then conversion rights would be allocated to those investors who provide the most additional matching funds and/or exchange the debt at the lowest price. A total limit of $1.9 billion--about 6 percent of bank debt--over five years applies to these conversions. Moreover, each dollar converted must be accompanied by the equivalent amount of foreign exchange. The investor need not provide all of the required matching funds; up to half of such funds may be provided by the International Finance Corporation, the International Investment Corporation, on-lending funds or by purchasing BONEX (dollar-denominated government bonds) from the Central Bank at 90 percent of par.

Profit remittances on equity investments financed from debt conversions are not permitted for the first four years after the date of the investment; remittances of accrued dividends beyond that date have to be made over four years in equal semiannual installments. The principal amount of the investment may not be redeemed in local currency for the first three years, and repatriated in foreign currency for the first ten years from the date of the investment.

Costa Rica, in October 1986, implemented a debt conversion scheme for the Central Bank's foreign liabilities. By the year's end, $15 million was converted under the program and a further $47 million was converted during the first half of 1987. The terms for converting eligible debt vary, depending on the priority of the investments and on the prevailing discount in the secondary market. In any event, the Central Bank will convert no more than 80 percent of the eligible debt's face value. For the highest priority conversions, defined as investments in firms that have subscribed to the Export Agreement under Law 6955 of 1984, that were established under the Free Area Agreement, or that are engaged in tourism or the banana industry, 75 percent of the external debt's face value would be converted, given the prevailing secondary market discount of about 60 percent. For the lowest priority investments, debt would be converted at 50 percent of face value. All conversions are made at the official exchange rate. Repatriation period must exceed the maturity of the converted debt by two years and restrictions on dividends may also apply.

Ecuador established a debt conversion program in December 1986 and subsequently amended its governing regulations in February 1987. Four conversions have been approved so far totaling approximately $15 million. The scheme presently permits both resident and nonresident investors in domestic companies to exchange Ecuador's foreign bank debt at the central bank for an amount in sucres equivalent to the debt's face value at the prevailing exchange in the intervention market of the central bank. The scheme may only be used for equity investments in sectors of vital interest to the national economy as determined by the Ministry of Industry, Commerce, Integration and Fisheries. Moreover, this Ministry must approve the terms for repatriation of capital and remittance of profits that stem from those investments. The conversion scheme is designed to have no monetary impact because the domestic companies that receive the equity investment must use the proceeds to simultaneously repay outstanding credits owed to the central bank.

In Venezuela, a debt conversion scheme was introduced in April 1987 for foreign public debt. The scheme permits nonresident investors to exchange into domestic currency with the central bank eligible debt at full face value, or at a discount, as determined by a newly formed commission with oversight responsibility. The exchange rate to be used for such conversions is determined by the special exchange agreement "Convenio Cambiario No. 4-April 1987" between the Central Bank and the Ministry of Finance. The Central Bank may exchange bolivars, or bolivar-denominated securities, for foreign public debt. The proceeds from a conversion must be invested in one of the following: import substitution or export industries; prevention of enterprise closure; or investment in one of eleven priority sectors. The above-mentioned commission may require additional foreign financing to cover the cost of imported components required to implement the projects concerned.

For the first three years following the investment, profit remittances after taxes are limited to an annual rate of 10 percent of the converted debt. Thereafter, remittances are subject to the rules of the Foreign Investment Code. No repatriation of capital is allowed for the first five years, and during the following eight years repatriation is limited to a maximum annual rate of 12 1/2 percent, although the annual limits are cumulative.

In addition to the above scheme, the central bank can assume the external debt of public enterprises against payment of bolivars or issuance by the parastatals of bolivar-denominated securities. The applicable exchange rate is that which applies to the conversion of foreign public debt ("Convenio Cambiario No. 4").

(ii) Secondary loan transactions

A secondary market for bank loans has emerged since 1982; this market has been a source of debt claims used in conversion schemes. Discounts on this market have ranged from 10 to over 90 percent and recently averaged 40 to 45 percent for the 15 heavily indebted developing countries. Estimates of the total volume in the secondary market (counting both sides of the transactions) range from $13 billion to $18 billion, a small fraction of the approximate $300 billion of bank debt of countries that have restructured since 1982. A number of banks and investment houses--notably in New York--have developed a role as intermediaries in transactions of loan claims.

Two types of transactions appear to dominate this market. The first is swaps among banks which are often designed not to diversify portfolios, but to concentrate holdings of claims on countries where banks have a strategic business interest and to eliminate minor holdings. The second is outright sales (by assignment, participation or novation) for use in debt conversions. Such transactions have been constrained on both the supply and demand sides of the market. Thus far, supply has been limited to smaller banks--particularly those in continental Europe and U.S. regional banks--that have sought to reduce their exposure.

For some banks, a reason for selling loans is to avoid participation in future concerted lending packages. However, the choice of technique to sell the claims affects the seller's potential obligation to provide new money. Banks with large exposures have been reluctant to transact a part of their portfolio because of concerns about the impact on bank regulators' valuation of remaining claims. The fact that an increasing number of banks have made large loan loss provisions may increase their flexibility in disposing of assets, whether to rebalance their loan portfolios, to participate directly in debt equity conversions or to sell claims into debt equity packages assembled for nonbank corporations. Moreover, the creation by Japanese banks of the Cayman Islands Factoring Company is seen by some market participants as a vehicle for eventual loan sales. As regards demand, the scale and terms of debt conversion programs significantly influence investors' preferences for loan claims. Liberalization of financial markets in developing countries also enhances demand as it facilitates the conversion of debt into domestic assets by enhancing their liquidity.

In the medium-term, the question arises if outside the context of debt conversion programs a significant demand for developing country debt by private nonbank and institutional investors could emerge. Market participants have suggested three important differences between existing high yield/high risk instruments in the United States ("junk bonds") and the secondary market for bank claims on developing countries. First, even though noninvestment grade bonds trade on a yield above U.S. Treasury securities and the discounted bank debt of most developing countries that have recently restructured, has an implicit yield to maturity above these noninvestment grade bonds, such developing country debt tends to trade on a "specific situation" basis or on "specific demand." The second difference is maturity. Most noninvestment grade bonds are in a short- to medium-term maturity range (5-10 years), while rescheduling maturities reach up to 20 years, a maturity range of limited interest at present to private investors. Third, the yield to maturity/risk trade off associated with sovereign claims is not susceptible to "technical analysis" in the same sense as corporate liabilities.

2. The menu approach

Explicit development of the "menu" approach was initiated with the 1987 package for Argentina; however, it represents the culmination of many developments both within and outside the restructuring process. The menu includes traditional financing modalities, described above, plus recent innovations, such as alternative participation instruments, securitized new money claims, and a fee structure to encourage early participation. In addition, for a low-income country--Bolivia--banks have agreed to permit a direct debt buy back using donated resources.

a. Alternative participation instruments

Obtaining agreement from hundreds of banks on a new money package became increasingly difficult during 1986. Bank advisory committees sought to make the process more orderly and less expensive by developing techniques to permit banks with small exposures to contribute and then to exit from the process. Two approaches have been tried or suggested. One approach is the de minimis rule applied by official creditors in the context of Paris Club reschedulings. Banks with exposure below a specified amount would be exempt from new money requests. The principal drawback of this approach in the view of some major banks is that it permits smaller banks to exit without contributing, thus increasing the contribution required of remaining banks.

The second approach permits all banks to reduce their base exposure for calculating new money contributions by up to the same specified limit. This approach was utilized in the 1987 financing agreement with Argentina. Banks have the option to exchange up to $5 million of their claims on public sector borrowers, or $30 million if it completely extinguishes their exposure, for alternative participation instruments (APIs). These instruments have a fixed rate of 4 percent and a maturity of 25 years with 12 years' grace. (The new medium-term loan has an interest rate of 7/8 above LIBOR and a maturity of 12 years with 5 years grace). APIs would be excluded from the banks' base for purposes of calculating new money contributions for the 1987 or future concerted lending programs. These instruments are designed primarily to give banks with a small exposure an alternative technique to participate. Their contribution to this and future new money packages would stem from the banks' receipt of a lower stream of interest payments. Commercial bank requests for APIs have been very limited, so far.

b. Securitization

Securitization, which refers to the substitution of more tradable financial instruments for bank claims, provides banks with an instrument to facilitate reorganization of their portfolios. In some cases, it enhances the perceived priority of the debt vis-à-vis other obligations (see next section). Securitization also may provide debtor countries greater access to nonbank sources of finance.

In general, there are two ways to securitize existing bank loans: a country can refinance existing loans by issuing securities; and banks, or other intermediaries, can issue securities or convertible notes backed by existing bank loans. For example, interbank lines frozen by maintenance of exposure or other agreements have been securitized: in 1986, three Mexican banks and one Brazilian bank refinanced $0.5 billion of such debt, using note issuance facilities and floating rate notes. The issuance of asset backed securities has not been widely used in international markets. So far, the debt of Nigeria has been used by an investment house to back an issue of promissory notes.

In 1986 Hungary, which had not lost access to international capital markets, borrowed in the Eurobond market through the issuance of $250 million in the form of 20 year floating rate notes which were "collateralized" by a zero coupon U.S. Treasury bond of 20 year maturity and a cash reserve fund that will be invested in short-term U.S. dollar securities. This collateral is intended to secure both the principal of the notes--through the zero coupon bond--and the interest payments expected to fall due after an estimated 12-15 years. In those later years the combined value of the cash reserve fund and the zero coupon bond would cover the principal due on the Eurobond. In addition, earnings on the cash reserve fund in those later years would be used to pay the interest payments on the floating rate notes. Market participants believed that the arrangement had enabled Hungary to obtain longer term bond finance, but at a higher effective spread than on more traditional medium-term issues.

The 1987 financing agreement with Argentina provides any bank that commits its full share of the new money facilities with the option to receive bonds rather than loan claims for up to $1 million of its commitment in the form of a bond--a securitized new money contribution. New Money Instruments (NMIs) will be issued to subscribing banks on the day of the first draw-down under the 1987 Term Credit Agreement. NMIs are U.S. dollar-denominated bearer bonds that carry the same interest rate, maturity and grace period as the term credit facility.

Another form of securitization is provided for in the 1987 restructuring agreement with the Philippines. Under the agreement, the borrower has the option to issue Philippine Investment Notes (PINs) to finance payment of certain interest payments due on the rescheduled debt. PINs will be non-interest-bearing, foreign currency denominated notes with a maturity of six years. The notes are intended to become the preferred means of funding equity investments under the country's debt conversion program. To this end, PINs may be converted to Philippine pesos at any time prior to their maturity and at full face value.

c. <u>Prioritization of debt</u>

With the intention of lessening the adverse impact of rescheduling on access to spontaneous financing, commercial banks have standardized to some degree their procedures for debt restructuring. Bank agreements, where possible, have excluded short-term trade finance, interbank debt, and bonds from formal rescheduling. The setting of a cutoff date and exclusion of short-term debt each offer analogies with Paris Club procedures that are designed with a similar intention. While short-term trade and interbank debt have been better serviced than longer term obligations, they nevertheless have been covered by agreements to maintain exposure and occasionally have been formally restructured. New money claims often carry higher spreads and/or shorter maturities than restructured debt; however, these terms are not always protected by the cutoff date; in a few cases, banks have adjusted the terms of loans contracted after the cutoff date; and new money contributions have sometimes been included in the base for subsequent new money packages.

In addition to the above procedures, securitization has been viewed as a means of prioritizing claims. Market participants have pointed out that marketable debt has typically been excluded from rescheduling agreements, reflecting the time and costs involved in rescheduling the relatively small amounts of securitized debt as compared with bank loans. Bankers have thus viewed NMIs as less likely to be rescheduled, given their bearer bond form. Bonds and other securities have generally been better serviced than medium- and long-term bank loans which tend to support bankers' perceptions; however, bonds and other securities have been rescheduled on several occasions.

d. Interest capitalization

Voluntary limited interest capitalization is a financing technique for which some banks, especially among continental European and U.S. regional banks, have expressed a preference. These preferences are shaped in part by tax and accounting concerns. Interest capitalization also would facilitate participation in financing packages by reluctant banks by avoiding approvals by bank boards as required for new money contributions, but raises difficult questions about the equitable distribution of banks' contributions both within a country and across countries.

Experience with capitalization of interest is limited so far to two low-income countries experiencing extreme difficulty in servicing their debt. The 1980-82 restructuring agreements with Nicaragua stipulated that interest was to accrue at spreads of 3/4 percent above LIBOR for the first three years of the agreement and of 1 1/4 percent above LIBOR for the final four years of the agreement. However, actual payments could be limited to 7 percent a year in the agreement of 1980, and to 6 percent in the agreements of 1981 and 1982. Any accrued but unpaid interest could be added to a deferred interest payment pool which was to be repaid whenever accrued interest payments were less than 7 percent per annum. If this did not exhaust the pool by December 1985, the balance was to be amortized between 1986 and 1990.

Sudan, as part of its 1985 agreement with banks, accepted an interest rate spread of 1 1/4 percent of its outstanding debt with the proviso that it pay a minimum of $6.5 million in interest per quarter during the fourth quarter of 1985 to end 1986. Any accrued interest that remained unpaid by April 1987 could be capitalized. In addition, the 1987 agreement in principle with the Philippines may result in the capitalization of the interest spread. The PINs scheme provides for limited, voluntary capitalization of interest via the issue of non-interest bearing securities.

e. Fees

Performance incentives for either the banks or a debtor country have been included in two recent restructuring agreements. The 1987 Argentine financing package includes an early participation fee for banks. Those banks which committed to the agreement by June 17, 1987 receive a 3/8 of 1 percent flat fee on the amount of the commitment; those banks which committed between June 18 and July 17, 1987, receive a flat fee of 1/8 of 1 percent. Commitments received thereafter will receive no early participation fees. Bankers believed that such fees played an important role in accelerating commitments.

The 1987 agreement in principle with the Philippines provides the borrower with an incentive to make scheduled amortization and optional prepayments using a contingent interest rate spread. The spread on the restructured debt is reduced from 1 percent to 7/8 of 1 percent during

1987-89 if the Philippines makes an annual prepayment of at least 4 percent of the outstanding debt, as of January 1, 1987, under the 1984/85 New Money Agreement (equivalent to an annual prepayment of $37 million). Thereafter, the spread remains at 7/8 of 1 percent if during these years amortization prepayments are made as scheduled.

f. Debt buy-backs

Debt buy-backs permit countries to repurchase their debt at a discount using international reserves or foreign exchange obtained from official or private sources. In July 1987, Bolivia's creditor banks agreed to amend the 1981 rescheduling agreement with Bolivia to permit a two step approach to resolving Bolivia's bank debt problem. A portion of the outstanding principal and associated unpaid interest will be reduced by a debt buy-back at a discount and the remaining debt will be restructured. The buy-back operation will take place directly between Bolivia and banks rather than in the secondary market and will use foreign exchange obtained from donor governments.

Bolivia will offer to buy back its debt at a price which its authorities will determine, while the banks will choose the amount of debt they are prepared to sell at that price. Under the agreement, Bolivia will be able to make multiple offers within 120 days. At subsequent offers, Bolivia could propose a higher price, but this would retroactively be applied to all previous sales, as the complete buy-back must be carried out at a single price. It is not expected that Bolivia will be able to buy its total debt because the donated amount may be insufficient at the prevailing market price. The remaining debt will be restructured after the completion of the buy-back at terms to be decided at that time; the terms are expected to be concessional.

The bank advisory committee has insisted that donated foreign resources be employed by the buy-back so as not to divert domestic official resources from debt-servicing. Fund involvement has been requested by Bolivia in implementing this scheme to assure bank creditors that the funds received for the buy-back come from donor governments and not from Bolivian international reserves, to maintain the anonymity of the donor governments, and to encourage full participation by creditor banks. The Fund staff is preparing a Board paper on a Trust arrangement for the buy-back of Bolivian bank debt.

V. Developments in Provisioning, Supervision, and Tax Treatment

1. Provisioning

Provisioning practices and the role of supervisory authorities differ across countries according to their regulatory and accounting framework, and the tax treatment of loan loss reserves. The range of systems in effect in the major industrial countries was described in last year's capital markets report. 1/ Increasingly, however, banks have decided to raise their loan loss reserves to levels beyond those mandated or recommended by their auditors, partly for competitive reasons. Banks may see a particular need for additional provisioning to satisfy perceptions of depositors, especially wholesale depositors, of bond holders and bond rating agencies, and equity investors. Consequently, although the relevant framework in the G-10 countries and Switzerland has not changed much over the last twelve months, provisions have been increased considerably, particularly in those countries where previously they had been relatively low.

In continental European countries, provisions for loan losses have traditionally been the highest among industrial countries; but they have been increased further to cover, on average, between one quarter and one third of exposure to countries experiencing payments difficulties and individual banks in Europe have considerably higher levels of provisions. In Germany, there is no general provisioning objective from the regulatory side, as supervisors judge on a case-by-case basis the adequacy of a bank's provisioning policy, taking into account actions by other German banks in a comparable situation. Provisions are tax deductible and tax authorities have adopted a liberal attitude toward provisioning levels. One of the largest banks has publicly announced provisions of 70 percent.

In France supervisors suggest provisions against exposure to about 30 countries but there are no mandatory rules. On average, these provisions at the end of 1986 are estimated to be comparable to those of German banks. Provisions are tax deductible, subject to a case-by-case inspection by the tax authorities, a policy that was reaffirmed in early 1987 by the French authorities at the same time that they decreased substantially the number of countries whose debt would be treated as tax deductible.

In Belgium, banks have also continued to make substantial provisions against developing country exposure. In 1986, the supervisory authorities and the largest Belgian banks reached an agreement on certain provisions to be reached by March 1988. Indebted countries were grouped into five categories with required provisions between 0 and 50 percent. The largest banks had already reached these required provisions by early 1987 and intended to go further. In contrast to other European countries, the Belgian tax system is restrictive in granting tax deductions for provisions. Banks have to prove that a loss is "probable."

In Switzerland, the authorities decided in 1986 to increase mandatory provisioning requirements against claims on a "basket" of about 100 developing countries from 20 to 30 percent. Although banks

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1/ "International Capital Markets--Recent Developments, 1986," (SM/86/201, 8/14/86), Section III. 4.

had until end-1987 to adjust their provisions, most of them, including all the major banks, already exceeded the required level by end-1986. Provisions are tax deductible up to the mandatory requirement; tax authorities in the different cantons can grant tax deductions for provisions above the mandatory level.

In the United States, Canada, Japan, and the United Kingdom, provisions against sovereign debt were much lower at end-1986 than in continental European countries: according to market sources, they averaged about 2 percent in the United States, 5 percent in Japan, and 15 percent in Canada; provisioning levels in the United Kingdom were between those of Japan and Canada. The much lower provisions in these countries are partly explained by the lack or limits on tax deductibility; partly by the perception that lower profits have a more direct impact on share prices than in some European countries; and to some extent by the more comprehensive disclosure rules in the United States and Canada compared with European countries. However, following Brazil's suspension of interest payments on medium- and long-term debt owed to foreign banks, a number of U.S. banks moved these loans to a nonaccrual basis. Subsequently, during the second quarter of 1987, all major U.S. banks increased their loan loss reserves substantially. The nine money center banks increased provisions against exposure to restructuring countries by $11 billion during the second quarter of 1987, equivalent to 19 percent of their total exposure to these countries.

Apart from these "earmarked" loan loss reserves, all U.S. banks set aside general loan loss reserves that cover their total domestic and international portfolios. Typically, only a small fraction of these general provisions have been earmarked for sovereign debt. The new provisions set aside in the second quarter of 1987 together with existing earmarked general provisions, are estimated to cover about one quarter of the nine money center banks' exposure to countries with debt-servicing problems. Some large regional U.S. banks have increased their provisions to 30 to 35 of their exposure. In the U.S., such provisions are not tax deductible, contrary to the practice in most European countries and Canada. However, these reserves may be included in primary capital for purposes of monitoring capital adequacy (see below); in almost all other countries, loan loss reserves are not counted as primary capital.

Some banks in the United Kingdom have followed the increase in provisions of U.S. banks while banks and supervisors in Canada and Japan have studied ways for comparable action. Increasingly, U.K. banks have set aside specific provisions that are more likely to be tax deductible. By July 1987, two of the major U.K. banks had followed the U.S. banks' move and increased their provisions against sovereign debt to 27 and 30 percent respectively; one of the two banks will finance the increase in provisions, which do not count as primary capital in the United Kingdom, by a rights issue. At the time, it was unclear whether these additional provisions would be tax deductible or not.

In Canada, bank supervisors had decided in late 1986 to increase banks' mandatory provisions against a basket of 34 countries experiencing debt-servicing problems. However, after the additional provisions by U.S. and U.K. banks, banks announced a review of the adequacy of provisioning levels. Provisions are tax deductible in Canada. However, unlike in the U.S., such reserves are not counted as primary capital for the purpose of capital adequacy measurement.

In Japan, loan loss reserves against claims on developing countries with debt-servicing problems are estimated to be around 5 percent. Only 1 percent of the 5 percent of provisions is tax deductible. However, in March 1987, the major Japanese banks set up a factoring company in the Cayman Islands that purchased $820 million in new money provided by Japanese banks to Mexico in 1983 at a price below face value. The losses incurred by this transaction are deemed to be tax deductible. Following the worldwide move toward higher provisioning, the Japanese Ministry of Finance has invited banks to present proposals to increase their provisions.

Thus, there is a tendency among banks in the major industrial countries to provisioning levels around 25 to 35 percent: banks in countries with so far low provisions have either taken steps in this direction or are studying them. Recent moves in this area have not been initiated by supervisors; nor has the fact that provisions are only to a limited extend tax deductible in certain countries prevented banks from additional provisioning. It seems, that at a time when investment banking is becoming increasingly competitive on a worldwide scale, commercial banks do not want to appear "unprudential" compared with their major competitors.

2. Capital adequacy

In addition to more provisioning against doubtful loans, banks' balance sheets in most industrial countries with the exception of Japan have been strengthened since 1982 by increasing capital relative to total assets (Table 12). Improvements in capital asset ratios have been most pronounced in the United States, the United Kingdom, and Canada.

As a result of increases in capital and a decline in U.S. banks' claims on developing countries, there has been a further increase in the ratio of U.S. banks' capital to claims on developing countries (Appendix Table 20 and Chart 5). This ratio had doubled since 1982 to 95 percent in 1986; about four fifths of this improvement was due to the increase in banks' capital during those four years while one fifth was accounted for by a decline in exposure. Among the U.S. banks, the ratio for the 9 money center banks almost doubled between end-1982 and end-1986 (from 31 percent to 59 percent) while those for the next 15 largest U.S. banks and for the regional U.S. banks more than doubled (from 47 percent at end-1982 to 101 percent at end-1986 and from 113 percent to 243 percent, respectively). For banks outside the United States, the depreciation of

Table 12. Capital-Asset Ratios of Banks in Selected Industrial Countries, 1978-86 1/

(In percent)

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Canada 2/	3.3	3.2	3.0	3.5 3/	3.7	4.1	4.4	4.6	5.0
France 4/	2.3	2.6	2.4	2.2	2.1	2.0	1.9	2.2	2.6
Germany,									
Federal Republic of 5/	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.5	3.6
Japan 6/	5.1	5.1	5.3	5.3	5.0	5.2	5.2	4.8	4.8
Luxembourg 7/	...	...	3.5	3.5	3.5	3.6	3.8	4.0	4.1
Netherlands 8/	3.9	4.3	4.2	4.3	4.6	4.7	4.8	5.0	5.2
Switzerland 9/									
Largest 5 banks	7.8	7.6	7.6	7.4	7.3	7.1	7.1	7.8	7.8
All banks	7.8	7.6	7.6	7.5	7.5	7.3	7.4	7.8	7.9
United Kingdom									
Largest 4 banks 10/	7.5	7.2	6.9	6.5	6.4	6.7	6.3	7.9	8.4
All banks 11/	5.2	5.1	5.0	4.5	4.1	4.4	4.5	5.5	5.4
United States									
9 money center banks 12/	4.7	4.5	4.5	4.6	4.9	5.4	6.2	6.8	7.3
Next 15 banks 12/	5.4	5.4	5.5	5.2	5.3	5.7	6.6	7.2	7.5
All country reporting banks 12/, 13/	5.5	5.3	5.4	5.4	5.6	5.9	6.5	6.9	7.2

Sources: Data provided by official sources; and Fund staff estimates.

1/ Aggregate figures such as the ones in this table must be interpreted with caution, due to differences across national groups of banks and over time in the accounting of bank assets and capital. In particular, provisioning practices vary considerably across these countries as do the definitions of capital. Therefore, cross-country comparisons may be less appropriate than developments over time within a single country.

2/ Ratio of equity plus accumulated appropriations for contingencies (before 1981, accumulated appropriations for losses) to total assets (Bank of Canada Review).

3/ The changeover to consolidated reporting from November 1, 1981 had the statistical effect of increasing the aggregate capital-asset ratio by about 7 percent.

4/ Ratio of capital, reserves, and general provisions, to total assets. Data exclude cooperative and mutual banks. This ratio is not the official one (ratio of risk coverage), which includes loan capital and subordinate loans in the numerator and balances the denominator with regard the quality of the assets, and which provides the groundwork for the control of the banking activities by the Commission Bancaire. (Commission de Controle des Banques, Rapport).

5/ Ratio of capital including published reserves to total assets. From December 1985, the Bundesbank data incorporate credit cooperatives. (Deutsche Bundesbank, Monthly Report).

6/ Ratio of reserves for possible loan losses, specified reserves, share capital, legal reserves plus surplus and profits and losses for the term to total assets (Bank of Japan, Economic Statistics Monthly).

7/ Ratio of capital resources (share capital, reserves excluding current-year profits, general provisions, and eligible subordinated loans) to total payables. Eligible subordinated loans are subject to prior authorization by the Institut Monetaire Luxembourgeois and may not exceed 50 percent of a bank's share capital and reserves. Data in the table are compiled on a nonconsolidated basis, and as a weighted average of all banks (excluding foreign bank branches). An arithmetic mean for 1986 would show a ratio of 7.7 percent. Inclusion of current-year profits in banks' capital resources would result in a weighted average of 4.3 percent for 1986. Provisions for country risks, which are excluded from capital resources, have been considerably increased in the last year. The 1986 level of provision represents almost five times the level of 1982.

8/ Ratio of capital, disclosed free reserves, and subordinated loans to total assets. Eligible liabilities of business members of the agricultural credit institutions are not included (De Nederlandsche Bank, N.V., Annual Report).

9/ Ratio of capital plus published reserves, a part of hidden reserves, and certain subordinated loans to total assets (Swiss National Bank, Monthly Report).

10/ Ratio of share capital and reserves, plus minority interests and loan capital, to total assets (Bank of England).

11/ Ratio of capital and other funds (sterling and other currency liabilities) to total assets (Bank of England). Note that these figures include U.K. branches of foreign banks, which normally have little capital in the United Kingdom.

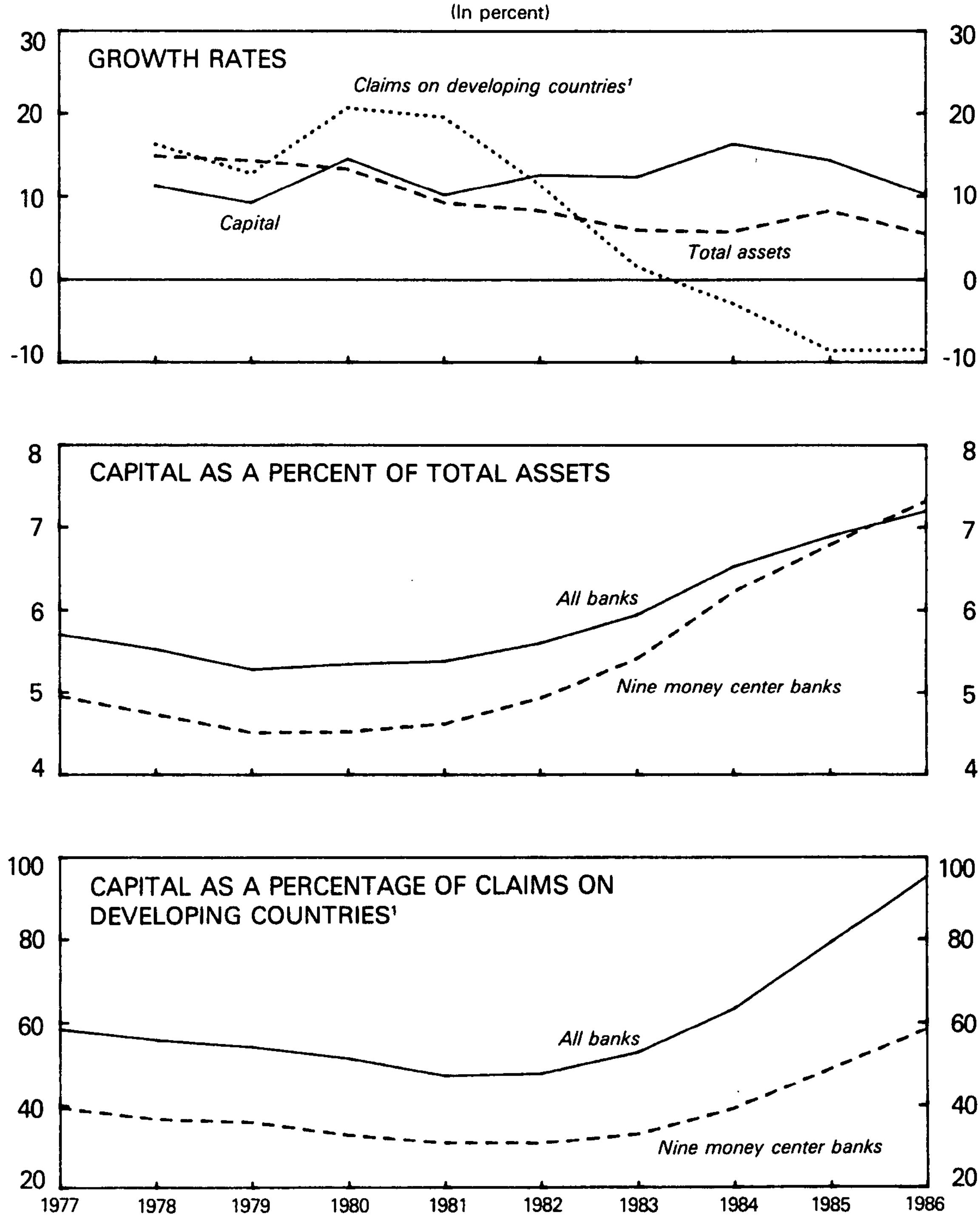
12/ Ratio of total capital (including equity, subordinated debentures, and reserves for loan losses) to total assets.

13/ Reporting banks are all banks which report their country exposure for publication in the Country Exposure Lending Survey of the Federal Financial Institutions Examination Council.

CHART 5

SELECTED BALANCE SHEET DATA FOR U.S. BANKS, 1977-86

(In percent)



Sources: Federal Financial Institutions Examination Council, *Country Exposure Lending Survey*.
[1]Excluding Offshore Centers.

the U.S. dollar since early 1985 and a continued build up of capital has improved considerably these banks' capital coverage of developing country exposure.

There is a growing concensus among supervisors in the industrial countries that the definition of capital and capital adequacy requirements should be harmonized internationally. Cooperation in this area takes place in several fora, notably by the Basle Committee on Banking Regulations and Supervisory Practices ("Cooke Committee") and within the EC. In early 1987, U.S. and U.K. supervisors issued a joint proposal on capital adequacy to promote the convergence of supervisory policies on banks' capital adequacy among countries with major banking centers.

In discussions with staff, all supervisors agreed that risk asset ratios that require different capital backing for different assets and that are already used in some European countries should eventually be introduced in all financial centers. Risk asset ratios normally assign a higher risk to foreign loans than to domestic loans and therefore require higher capital backing for loans to foreign borrowers which could imply higher cost. The U.S./U.K. proposal on capital adequacy differentiates between domestic and foreign assets. Some approaches used to monitor international comparisons of capital adequacy differentiate between claims on industrial countries versus developing countries. This concept has been criticized by developing countries at the 1986 Supervisors' Conference in Amsterdam because the risk weighting was related to the payments performance of the country.

3. <u>Other supervisory issues</u>

Banks' interest in financing techniques such as loan sales and swaps and the conversion of debt to equity, and their attitudes to alternatives to concerted lending such as interest capitalization, can be influenced by supervisory and accounting practices.

Debt swaps, or conversions into different kinds of asset, raise issues of proper valuation of both the bank claim and the new asset. Banks have indicated some concern that if they sell sovereign claims, the valuation of their remaining claims to the same borrower could be affected; they may have to mark to market those remaining claims. For this reason, few institutions with large exposures to developing countries have engaged directly in discounted disposals of loan claims, although a number have been involved in brokering sales by other banks.

Supervisory treatment of interest capitalization and concessional interest rates also varies across countries, with experience so far mainly limited to domestic loans. In continental Europe, capitalized or deferred interest would not generally be accrued or--if accrued--would be provided against; however, many European banks have already put loans to countries with debt-servicing difficulties on a nonaccrual basis. Under the U.S. regulatory system, banks may continue to accrue such interest income if the ultimate collection of principal and interest is not in doubt and the loans not restructured at a submarket interest rate.

The conversion of debt to equity involves further issues including the valuation of the equity claims, if banks hold these themselves; the changes that may be generated in banks' capital requirements by a switch from debt to equity; and the legal or supervisory restrictions on banks' holdings of equity participation in nonbanks. Treatment of equity holdings in general varies considerably across countries, from those where there is a long tradition of banks or bank holding companies having equity in nonfinancial companies (e.g., the Federal Republic of Germany and France) to others where such equity participation is much less usual, or even prohibited under existing regulations. In a number of countries, there are restrictions on the share of equity in a financial and/or nonfinancial company that may be held by a bank; limits on such holdings are also sometimes defined in terms of the investing bank's own capital.

In cases where equity holdings are allowed, the regulatory treatment for the purpose of assessing capital adequacy varies. In some cases, it is treated as more risky than a loan and in other cases as less risky. In Germany, for example, no capital cover is required--at least in principle--for holdings of listed securities. In the United Kingdom, investments in subsidiaries and associated companies, and trade investments are treated like a fixed asset and must be deducted from capital. In general, most supervisory regimes allow banks to take a noncontrolling interest in a foreign nonfinancial company under at least some conditions. Such interests would typically require a higher capital backing than would a loan, unless those interests involve listed securities that may be readily sold on a stock exchange, which is not usually the case with the type of equity that may be obtained by banks in exchange for their loan claims on developing countries.

4. Other tax issues

Changes in tax-sparing rules have become an increasingly important factor in bank lending to developing countries. As an incentive to attract foreign lending, developing countries often eliminate or reduce withholding taxes on interest paid by residents in the developing country that borrowed abroad from a bank. To ensure that the benefit of this tax reduction remains with the lender, many developing countries have negotiated "tax-sparing" provisions in their double taxation treaties with a number of industrial countries. Under these provisions, the lending bank may--even if it was exempted from paying taxes in the borrowing country--deduct notional foreign tax liabilities either from its income or from its domestic tax liabilities. The potential benefit to a bank of advancing a loan with a tax-sparing provision is shown in the following example:

Computation of Taxable Profits, With and Without Tax-Sparing Provisions

	No Tax Sparing	Tax Sparing
Interest on foreign loan (with national withholding tax of 15 percent)	100	100
Other loan interest (no withholding tax)	900	900
Total interest income	1,000	1,000
Less: expenses	850	850
Taxable profit	150	150
Corporate tax of 50 percent	75	75
Less: credit for foreign tax	--	15
Total tax paid	75	60
Profit after tax	75	90

Source: "Foreign Tax Credit for Banks", an international comparative study by Peat, Marwick, Mitchell & Co., London, June 1984.

The conditions under which the tax-sparing is available to banks vary greatly according to the country providing the tax sparing, the precise provisions of a particular double taxation agreement, and other tax regulations in the countries concerned. The key tax provisions determining the magnitude of the tax benefit are whether the notional foreign tax liability is deductible from income or from domestic tax liability; whether the credit for "spared taxes" can be deducted from the lender's tax liability against its total income or only from the portion imputable to the tax-spared loan 1/; and whether the lender's tax authorities impose limits on the maximum percentage of notional withholding taxes, which is often done at 10 or 15 percent.

Tax-sparing provisions make the after tax earnings of a loan higher than the nominal spreads would suggest. These higher after-tax earnings are shared partly with the borrowers. Thus, banking sources have indicated that tax-sparing loans have 20-30 basis point lower spread than comparable loans without tax-sparing provisions. Differences in tax-sparing provisions among industrial countries have influenced banks' decisions on where such loans are booked for tax purposes.

1/ The above example assumes that the tax credit for "spared taxes" can be deducted from the lender's total tax liability.

Many industrial countries have provisions for tax-sparing with a limited number of developing countries, typically between 20 and 30. Tax-sparing provisions exist for loans made by banks in, inter alia, Belgium, Canada, the Federal Republic of Germany, France, and the United Kingdom and the United States. In the United States, the income eligible for tax-sparing provisions was reduced, as part of the 1986 Tax Reform Law. Authorities in the United Kingdom proposed in early 1987 to limit the potential benefit from tax-sparing provisions. In the future, banks will be able to deduct foreign withholding tax (if paid or not) only from the tax liability against income from each specific loan; previously, a bank could deduct it from the tax liabilities against its total income.

Table 13. Bank Lending and Deposit Taking,
Total Cross-Border Flows, 1982-86 1/

(In billions of U.S. dollars)

	1982	1983	1984	1985	1986
Lending to 2/	186	159	189	250	493
Industrial countries	123	100	129	188	395
Of which:					
United States	61	40	36	54	93
Japan	...	10	20	40	153
Developing countries 3/	51	34	14	8	-4
Offshore centers 4/	25	12	22	39	87
Other transactors 5/	-1	8	6	11	-7
Unallocated (nonbanks) 6/	-12	5	17	6	22
Memorandum items					
Capital importing developing countries 3/, 7/	...	30	16	9	-3
Non-oil developing countries 3/, 8/	41	27	17	7	-2
Fifteen heavily indebted countries	...	11	5	-1	-3
Deposit taking from 9/	188	187	196	275	557
Industrial countries	150	98	117	189	420
Of which:					
United States	107	35	7	22	82
Japan	...	15	12	42	114
Developing countries 3/	4	23	23	24	-3
Offshore centers 4/	25	34	19	54	130
Other transactors 5/	4	10	2	8	-7
Unallocated (nonbanks) 6/	6	22	34	--	18
Memorandum items					
Capital importing developing countries 3/, 7/	...	28	25	20	9
Non-oil developing countries 3/, 8/	17	28	23	16	17
Fifteen heavily indebted countries	...	11	14	5	-6
Change in net claims on 10/	-2	-28	-8	-25	-64
Industrial countries	-26	2	12	-1	-24
Of which:					
United States	-46	5	29	32	11
Japan	...	-5	8	-2	40
Developing countries 3/	47	11	-9	-16	-1
Offshore centers 4/	--	-22	3	-16	-43
Other transactors 5/	-5	-2	4	3	1
Unallocated (nonbanks)	-18	-16	-17	6	3
Memorandum items					
Capital importing developing countries 3/, 7/	...	2	-9	-11	-12
Non-oil developing countries 3/, 8/	24	-1	-6	-9	-19
Fifteen heavily indebted countries	...	1	-9	-6	3

Sources: International Monetary Fund, International Financial Statistics (IFS); and Fund staff estimates.

1/ Data on lending and deposit taking are derived from stock data on the reporting countries' liabilities and assets, excluding changes attributed to exchange rate movements.

2/ As measured by differences in the outstanding liabilities of borrowing countries defined as cross-border interbank accounts by residence of borrowing bank plus international bank credits to nonbanks by residence of borrower.

3/ Excluding offshore centers.

4/ Consisting of The Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore.

5/ Transactors included in IFS measures for the world, to enhance global symmetry, but excluded from IFS measures for "All Countries." The data comprise changes in identified cross-border bank accounts of centrally planned economies (excluding Fund members), and of international organizations.

6/ Calculated as the difference between the amount that countries report as their banks' positions with nonresident nonbanks in their monetary statistics and the amounts that banks in major financial centers report as their positions with nonbanks in each country.

7/ Consisting of all developing countries except the eight Middle Eastern oil exporters (the Islamic Republic of Iran, Iraq, Kuwait, the Libyan Arab Jamahiriya, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) for which external debt statistics are not available or are small in relation to external assets.

8/ Consisting of all developing countries except the eight Middle Eastern oil exporters (listed in footnote 7 above), Algeria, Indonesia, Nigeria, and Venezuela.

9/ As measured by differences in the outstanding assets of depositing countries, defined as cross-border interbank accounts by residence of lending bank plus international bank deposits of nonbanks by residence of depositor.

10/ Lending to, minus deposit taking from.

Table 14. Interbank Lending and Deposit Taking, 1982-86 1/

(In billions of U.S. dollars)

	1982	1983	1984	1985	1986
Lending to 2/	105	115	156	211	438
Industrial countries	73	83	120	166	361
Of which:					
United States	46	39	25	33	69
Japan	...	8	22	40	148
Developing countries 3/	16	16	12	8	4
Offshore centers 4/	18	10	20	29	82
Other transactors 5/	-2	5	5	7	-10
Memorandum items					
Capital-importing developing countries 3/ 6/	...	14	13	8	5
Non-oil developing countries 3/ 7/	15	14	13	7	5
Fifteen heavily indebted countries	...	9	6	--	--
Deposit taking from 8/	125	110	149	221	469
Industrial countries	113	70	112	165	362
Of which:					
United States	81	19	14	8	56
Japan	...	15	11	40	111
Developing countries 3/	-9	6	22	3	-5
Offshore centers 4/	17	26	13	46	118
Other transactors 5/	3	8	2	7	-7
Memorandum items					
Capital-importing developing countries 3/ 6/	...	12	22	4	4
Non-oil developing countries 3/ 7/	2	12	21	1	12
Fifteen heavily indebted countries	...	1	11	-3	-7
Change in net claims on 9/	-20	5	7	-10	-31
Industrial countries	-40	13	8	1	-1
Of which:					
United States	-35	20	11	25	13
Japan	...	-7	11	-1	37
Developing countries 3/	25	10	-11	6	10
Offshore centers 4/	1	-16	6	-16	-36
Other transactors 5/	-5	-2	3	--	-3
Memorandum items					
Capital-importing developing countries 3/ 6/	...	2	-9	4	--
Non-oil developing countries 3/ 7/	13	3	-7	6	-7
Fifteen heavily indebted countries	...	8	-5	3	7
Net errors and omissions 10/	20	-5	-7	10	31

Sources: International Monetary Fund, International Financial Statistics (IFS); and Fund staff estimates.

1/ Data on lending and deposit taking are derived from stock data on the reporting countries' liabilities and assets, excluding changes attributed to exchange rate movements.

2/ As measured by differences in the outstanding liabilities of borrowing countries, defined as cross-border interbank accounts by residence of borrowing bank.

3/ Excluding offshore centers.

4/ Consisting of the Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore.

5/ Transactors included in IFS measures for the world, to enhance global symmetry, but excluded from IFS measures for "All Countries." The data comprise changes in the accounts of the Bank for International Settlements with banks other than central banks; and changes in identified cross-border interbank accounts of centrally planned economies (excluding Fund members).

6/ Consisting of all developing countries except the eight Middle Eastern oil exporters (Islamic Republic of Iran, Iraq, Kuwait, Libyan Arab Jamahiriya, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) for which external debt statistics are either not available or are small in relation to external assets.

7/ Consisting of all developing countries except the eight Middle Eastern oil exporters (listed in footnote 6), Algeria, Indonesia, Nigeria, and Venezuela.

8/ As measured by differences in the outstanding assets of depositing countries, defined as cross-border interbank accounts by residence of lending banks.

9/ Lending to, minus deposit taking from.

10/ Calculated as the difference between global measures of cross-border interbank lending and deposit taking.

Table 15. Lending to and Deposit Taking from Nonbanks, 1982-86 1/

(In billions of U.S. dollars)

	1982	1983	1984	1985	1986
Lending to 2/	80	44	33	39	55
Industrial countries	51	16	9	22	34
Of which:					
United States	14	1	11	21	24
Japan	...	2	-3	--	5
Developing countries 3/	35	19	3	--	-9
Offshore centers 4/	7	1	2	9	5
Other transactors 5/	1	3	2	3	4
Unidentified borrowers 6/	-12	5	17	6	22
Memorandum items					
Capital-importing developing countries 3/ 7/	...	16	2	1	-7
Non-oil developing countries 3/ 8/	26	13	3	-1	-7
Fifteen heavily indebted countries	...	2	-1	-2	-4
Deposit taking from 9/	63	77	48	54	88
Industrial countries	37	28	6	24	57
Of which:					
United States	26	16	-7	14	26
Japan	...	--	1	1	3
Developing countries 3/	13	18	1	22	2
Offshore centers 4/	8	8	6	9	11
Other transactors 5/	1	2	--	1	--
Unidentified depositors 6/	6	22	34	--	18
Memorandum items					
Capital-importing developing countries 3/ 7/	...	16	3	16	5
Non-oil developing countries 3/ 8/	15	16	2	15	5
Fifteen heavily indebted countries	...	10	4	7	1
Change in net claims on 10/	17	-33	-15	-15	-33
Industrial countries	14	-11	4	-2	-23
Of which:					
United States	-12	-15	17	7	-2
Japan	...	2	-4	-1	3
Developing countries 3/	22	1	2	-22	-10
Offshore centers 4/	-1	-7	-4	1	-7
Other transactors 5/	--	1	1	2	4
Unidentified (net) 6/	-18	-16	-17	6	3
Memorandum items					
Capital-importing developing countries 3/ 7/	...	--	--	-16	-13
Non-oil developing countries 3/ 8/	12	-4	1	-15	-12
Fifteen heavily indebted countries	...	-8	-5	-9	-5

Sources: International Monetary Fund, International Financial Statistics (IFS); and Fund staff estimates.

1/ Data on lending and deposit taking are derived from stock data on the reporting countries' liabilities and assets, excluding changes attributed to exchange rate movements.
2/ As measured by differences in the outstanding liabilities of borrowing countries, defined as cross-border bank credits to nonbanks by residence of borrower.
3/ Excluding offshore centers.
4/ Consisting of the Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore.
5/ Transactors included in IFS measures for the world, to enhance global symmetry, but excluded from IFS measures for "All countries." The data comprise changes in the accounts of international organizations (other than the Bank for International Settlements) with banks; and changes in identified cross-border banks accounts of nonbanks in centrally planned economies (excluding Fund members).
6/ Calculated as the difference between the amount that countries report as their banks' positions with nonresident nonbanks in their monetary statistics and the amounts that banks in major financial centers report as their positions with nonbanks in each country.
7/ Consisting of all developing countries except the eight Middle Eastern oil exporters (Islamic Republic of Iran, Iraq, Kuwait, Libyan Arab Jamahiriya, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) for which external debt statistics are either not available or are small in relation to external assets.
8/ Consisting of all developing countries except the eight Middle Eastern oil exporters (listed in footnote 7), Algeria, Indonesia, Nigeria, and Venezuela.
9/ As measured by differences in the outstanding assets of depositing countries defined as international bank deposits by nonbanks by residence of depositor.
10/ Lending to, minus deposit taking from.

Table 16. Bank Lending to and Deposit Taking From Developing Countries, Total Cross-Border Flows, 1982-86 1/

(In billions of U.S. dollars)

	1982	1983	1984	1985	1986
Lending to 2/	75.8	46.2	36.3	46.4	82.5
Offshore centers 3/	24.7	11.8	21.9	38.7	86.6
Developing countries 4/	51.1	34.3	14.4	7.7	-4.2
Africa	...	5.4	-0.3	1.4	-2.5
Asia	...	9.0	8.1	6.3	4.7
Europe	...	1.3	2.2	1.8	-0.4
Middle East	...	3.6	-1.0	-2.3	-2.4
Western Hemisphere	...	15.0	5.5	0.4	-3.6
Deposit taking from 5/	28.7	57.4	42.7	78.4	126.5
Offshore centers 3/	24.8	34.1	19.4	54.3	129.9
Developing countries 4/	3.9	23.3	23.4	24.1	-3.4
Africa	...	1.5	-1.2	3.9	-0.8
Asia	...	11.6	9.4	7.9	9.1
Europe	...	1.7	3.9	2.2	0.9
Middle East	...	-3.5	-2.5	4.3	-12.8
Western Hemisphere	...	11.9	13.8	5.9	0.3

Sources: International Monetary Fund, International Financial Statistics; and Fund staff estimates.

1/ Data on lending and deposit taking are derived from stock data on the reporting countries' liabilities and assets, excluding changes attributed to exchange rate movements.
2/ As measured by differences in the outstanding liabilities of borrowing countries defined as cross-border interbank accounts by residence of borrowing bank plus international bank credits to nonbanks by residence of borrower.
3/ Consisting of The Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama, and Singapore.
4/ Excluding offshore centers.
5/ As measured by differences in the outstanding assets of depositing countries, defined as cross-border interbank accounts by residence of lending bank plus internatonal bank deposits of nonbanks by residence of depositor.

Table 17. Deposit Taking from Banks in Developing Countries, 1983-86

(In billions of U.S. dollars)

	1983	1984	1985	1986
Africa	0.4	-0.4	1.6	-0.8
Of which:				
Algeria	-0.6	-0.3	0.9	-1.8
Cote d'Ivoire	--	0.1	--	--
Liberia	--	--	--	--
Morocco	--	-0.2	--	0.1
Nigeria	-0.1	0.5	-0.1	0.1
South Africa	0.6	-0.7	0.4	0.1
Asia	8.8	10.1	5.3	10.5
Of which:				
China	3.7	-0.2	-5.9	-1.4
India	0.8	0.8	-0.2	-0.2
Indonesia	2.1	1.2	0.2	-1.8
Korea	-0.2	1.2	-0.4	-1.7
Malaysia	--	-0.5	0.7	0.9
Philippines	-1.5	-0.1	0.1	0.3
Thailand	-0.2	-0.2	0.5	0.5
Europe	1.1	4.1	0.3	0.4
Of which:				
Greece	--	0.3	--	0.1
Hungary	0.6	0.8	0.9	-0.1
Portugal	--	0.7	0.3	-0.2
Romania	0.2	0.2	-0.3	1.5
Turkey	--	1.2	-0.7	0.3
Yugoslavia	--	0.5	0.2	-1.2
Middle East	-6.7	-2.1	-1.9	-9.6
Of which:				
Egypt	1.7	-0.3	--	-0.7
Israel	-0.6	-0.9	-0.6	0.6
Kuwait	-1.1	-0.6	0.3	-0.5
United Arab Emirates	-0.2	2.7	-0.3	1.0
Western Hemisphere	2.0	10.5	-2.7	-5.8
Of which:				
Argentina	-1.3	-0.1	0.7	-0.1
Bolivia	--	0.1	-0.1	--
Brazil	1.1	6.8	-2.3	-2.6
Chile	0.2	0.2	-0.4	-0.2
Colombia	-1.0	-0.2	-0.2	0.2
Ecuador	0.4	-0.1	0.1	-0.1
Mexico	3.9	3.2	-2.6	0.5
Peru	0.1	0.2	0.1	-0.4
Uruguay	-0.1	0.1	0.1	0.2
Venezuela	-1.2	-0.2	1.8	-4.0
Total	5.5	22.2	2.6	-5.2
Memorandum item				
Fifteen heavily indebted countries	0.6	10.7	-2.8	-7.2

Sources: International Monetary Fund, International Financial Statistics; and Fund staff estimates.

Table 18. Deposit Taking from Nonbanks in Developing Countries, 1983-86

(In billions of U.S. dollars)

	1983	1984	1985	1986
Africa	1.2	-0.8	2.3	--
Of which:				
Algeria	0.1	--	0.1	--
Cote d'Ivoire	--	--	0.1	-0.1
Liberia	0.4	0.2	0.7	0.4
Morocco	0.1	0.1	0.1	--
Nigeria	0.1	-0.1	0.2	0.2
South Africa	0.3	-1.7	0.3	0.1
Asia	2.9	-0.7	2.6	-1.5
Of which:				
China	--	-0.1	0.3	--
India	0.2	-0.2	1.0	-0.4
Indonesia	0.1	0.1	0.2	--
Korea	-0.3	0.2	0.2	-0.1
Malaysia	0.1	0.3	-0.3	-0.6
Philippines	0.3	0.3	-0.1	0.2
Thailand	--	0.1	0.1	--
Europe	0.6	-0.2	1.9	0.5
Of which:				
Greece	--	-0.1	0.9	--
Hungary	--	--	--	--
Portugal	0.1	--	0.4	0.2
Romania	--	--	--	--
Turkey	--	-0.2	-0.1	0.1
Yugoslavia	-0.1	--	0.1	--
Middle East	3.2	-0.4	6.2	-3.3
Of which:				
Egypt	--	0.4	0.8	-0.4
Israel	0.2	-0.1	--	--
Kuwait	0.7	0.2	0.2	-0.5
United Arab Emirates	--	-0.6	1.8	-0.4
Western Hemisphere	10.0	3.3	8.6	6.1
Of which:				
Argentina	1.0	-0.2	0.8	-0.1
Bolivia	...	--	--	-0.2
Brazil	4.0	0.2	1.5	1.8
Chile	0.6	-0.2	0.3	0.2
Colombia	...	-0.2	0.2	0.3
Ecuador	0.2	0.2	0.2	--
Mexico	2.3	1.7	1.8	-0.4
Peru	0.2	0.2	0.2	0.2
Uruguay	0.4	0.3	0.2	0.3
Venezuela	0.9	1.2	2.0	-1.1
Total	17.8	1.1	21.6	1.8
Memorandum item				
Fifteen heavily indebted countries	9.9	3.6	7.5	1.2

Sources: International Monetary Fund, International Financial Statistics; and Fund staff estimates.

Table 19. Change in Claims of U.S. Banks on Developing Countries, 1982-86 1/

(In billions of U.S. dollars; and in percent)

	1982		1983		1984		1985		1986	
	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate
Developing countries										
All banks	11.1	7.8	5.8	3.8	-3.8	-2.4	-13.3	-8.5	-13.5	-9.4
Nine banks	6.7	7.5	3.6	3.8	-1.6	-1.6	-7.6	-7.7	-8.4	-9.2
Fifteen banks	2.9	11.0	2.1	7.1	0.1	0.4	-5.0	-16.2	-2.9	-11.3
Others	1.5	5.4	0.1	0.3	-2.4	-8.3	-0.7	-2.8	-2.1	-8.2
Capital-importing developing countries										
All banks	11.1	8.1	5.3	3.6	-3.1	-2.0	-12.0	-8.0	-12.6	-9.1
Nine banks	7.0	8.2	3.0	3.2	-1.0	-1.1	-6.8	-7.1	-7.6	-8.7
Fifteen banks	2.7	10.9	2.2	7.8	0.2	0.6	-4.6	-15.2	-3.0	-11.6
Others	1.4	5.1	0.1	0.4	-2.3	-8.0	-0.7	-2.5	-2.0	-7.8
Africa										
All banks	1.3	12.4	1.0	8.5	-0.8	-6.0	-2.8	-22.4	-2.0	-20.1
Nine banks	0.7	8.1	0.9	10.2	-0.8	-8.1	-1.6	-18.3	-1.4	-19.4
Fifteen banks	0.5	34.5	0.3	15.4	0.2	11.9	-0.9	-38.2	-0.3	-23.1
Others	0.2	17.2	-0.1	-4.7	-0.2	-17.1	-0.3	-23.9	-0.2	-20.9
Asia										
All banks	3.8	14.2	1.4	4.5	-3.0	-9.5	-3.4	-11.9	-4.8	-19.0
Nine banks	2.7	14.8	0.3	1.3	-2.0	-9.3	-2.6	-13.5	-2.9	-17.3
Fifteen banks	0.4	8.4	0.5	8.2	--	0.6	-0.9	-14.9	-1.1	-21.4
Others	0.6	20.9	0.6	17.0	-1.1	-25.6	0.1	4.3	-0.8	-23.5
Indonesia										
All banks	0.6	24.2	0.6	19.9	-0.2	-5.0	-0.6	-18.8	-0.6	-21.6
Nine banks	0.5	26.9	0.5	21.0	-0.3	-8.8	-0.5	-16.7	-0.5	-22.4
Fifteen banks	--	10.9	--	7.5	0.1	30.1	-0.2	-36.9	--	-14.3
Others	--	12.2	--	32.6	--	-14.8	--	3.0	--	-24.3
Korea										
All banks	2.1	24.1	0.5	4.1	-1.5	-13.3	-0.8	-7.9	-3.2	-34.6
Nine banks	1.5	26.4	-0.5	-6.8	-1.0	-15.5	-0.5	-9.7	-1.6	-31.1
Fifteen banks	0.4	18.9	0.5	20.5	--	0.4	-0.5	-17.0	-0.9	-41.3
Others	0.3	22.0	0.5	28.5	-0.5	-24.0	0.2	13.3	-0.7	-35.8
Philippines										
All banks	0.4	6.9	0.3	5.5	-0.6	-10.0	--	-0.7	-0.3	-5.8
Nine banks	0.2	6.3	0.1	1.3	-0.2	-4.4	--	0.9	-0.1	-2.3
Fifteen banks	--	1.7	--	2.7	-0.1	-4.6	-0.1	-6.8	-0.1	-13.2
Others	0.1	22.8	0.2	36.3	-0.4	-42.7	--	2.1	-0.1	-14.9
Europe										
All banks	-1.2	-10.0	0.4	4.1	-0.7	-6.5	-0.6	-5.8	-1.7	-17.6
Nine banks	-0.6	-7.8	0.6	7.7	-0.6	-7.1	-0.5	-7.0	-1.3	-17.9
Fifteen banks	-0.2	-10.1	--	0.3	--	1.3	-0.1	-7.3	-0.3	-17.4
Others	-0.4	-19.5	-0.1	-9.8	-0.2	-13.1	--	-3.5	-0.2	-16.0
Middle East										
All banks	0.3	8.1	0.3	8.5	-0.4	-9.0	-0.7	-18.8	-0.6	-20.3
Nine banks	0.1	6.0	0.2	8.6	-0.2	-7.8	-0.5	-20.6	-0.5	-23.4
Fifteen banks	0.1	19.8	0.1	19.7	--	-0.9	-0.2	-24.7	-0.1	-17.7
Others	0.1	7.5	--	1.5	-0.2	-18.8	-0.1	-7.3	-0.1	-12.9
Western Hemisphere										
All banks	6.9	8.2	2.1	2.3	1.8	1.9	-4.5	-4.7	-3.5	-3.9
Nine banks	4.1	8.5	1.1	2.1	2.5	4.7	-1.5	-2.7	-1.6	-3.0
Fifteen banks	1.9	12.1	1.3	7.3	-0.1	-0.6	-2.5	-13.0	-1.1	-6.8
Others	0.8	4.2	-0.3	-1.4	-0.6	-3.0	-0.5	-2.5	-0.8	-3.9
Argentina										
All banks	-0.2	-2.0	0.3	3.3	-0.5	-6.2	0.4	5.5	0.1	1.4
Nine banks	-0.1	-1.7	0.2	4.5	-0.3	-4.6	0.8	15.1	0.1	0.9
Fifteen banks	0.1	6.0	0.2	8.4	-0.1	-6.1	-0.2	-13.3	--	1.4
Others	-0.2	-12.7	-0.1	-8.4	-0.2	-13.6	-0.1	-8.6	--	4.2
Brazil										
All banks	3.6	21.5	0.2	1.1	3.2	15.6	-1.1	-4.5	-0.4	-1.7
Nine banks	2.7	25.0	--	--	2.5	18.8	-0.3	-1.6	-0.2	-1.2
Fifteen banks	0.9	30.7	0.4	10.3	0.4	10.0	-0.8	-16.6	-0.2	-4.7
Others	0.1	1.5	-0.2	-5.8	0.3	9.4	--	-1.2	--	-0.5
Mexico										
All banks	2.9	13.4	2.0	8.0	0.2	0.7	-1.6	-6.0	-1.3	-5.1
Nine banks	1.3	11.1	1.3	9.8	0.6	4.0	-0.6	-4.1	-0.7	-5.2
Fifteen banks	0.8	18.7	0.2	4.0	--	-0.2	-0.6	-12.0	-0.1	-1.1
Others	0.8	14.1	0.5	7.7	-0.4	-5.3	-0.3	-5.3	-0.5	-8.1
Venezuela										
All banks	1.1	10.5	-0.3	-2.8	-0.4	-4.0	-0.7	-6.7	-1.0	-9.7
Nine banks	0.8	11.3	-0.2	-2.2	-0.2	-2.6	-0.3	-4.1	-0.6	-8.7
Fifteen banks	0.3	18.8	--	1.3	-0.1	-5.3	-0.3	-15.9	-0.2	-9.2
Others	--	-1.4	-0.2	-10.6	-0.1	-8.9	-0.1	-6.8	-0.2	-15.9

Source: Federal Financial Institutions Examination Council, Country Exposure Lending Survey.

1/ These data are based on consolidated reports of banks; owing to rounding, components may not add.

Table 20. Assets and Capital of U.S. Banks, 1977-86

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
					(In billions of U.S. dollars)					
External claims on developing countries 1/	70.1	81.5	91.9	110.9	132.6	147.7	150.0	145.6	133.1	121.8
Total assets	717.1	823.6	941.3	1,066.3	1,164.5	1,261.0	1,336.0	1,413.0	1,529.0	1,613.0
Capital	40.9	45.5	49.7	56.9	62.7	70.6	79.3	92.2	105.4	116.1
					(In percent)					
Memorandum items										
Capital to total assets	5.7	5.5	5.3	5.3	5.4	5.6	5.9	6.5	6.9	7.2
External claims on developing countries to total assets	9.8	9.9	9.8	10.4	11.4	11.7	11.2	10.3	8.7	7.6
Capital to external claims on developing countries	58.4	55.8	54.1	51.3	47.3	47.8	52.9	63.3	79.2	95.3

Sources: Federal Financial Institutions Examination Council, Country Exposure Lending Survey; and International Monetary Fund, International Financial Statistics.

1/ The data presented in this table are on an exposure basis, that is, they are adjusted for guarantees and other risk transfers.

Table 21. Change in Bank Claims on Developing Countries, 1982-86 1/

(In billions of U.S. dollars and in percent)

	1982		1983		1984		1985		1986	
	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate	Billions of U.S. dollars	Growth rate
Developing countries 2/										
U.S. claims data	11.1	7.8	5.8	3.8	-3.8	-2.4	-13.3	-8.5	-13.5	-9.4
U.K. claims data	6.0	10.2	2.1	3.2	-1.2	-1.8	-0.4	-0.6	0.6	0.9
Capital-importing developing countries 2/										
U.S. claims data	11.1	8.1	5.3	3.6	-3.1	-2.0	-12.0	-8.0	-12.6	-9.1
U.K. claims data	5.9	10.7	1.7	2.8	-0.5	-0.8	-0.5	-0.8	0.8	1.3
Africa										
U.S. claims data	1.3	12.4	1.0	8.5	-0.8	-6.0	-2.8	-22.4	-2.0	-20.1
U.K. claims data	2.9	31.1	0.5	4.1	-0.2	-2.0	-0.8	-6.4	--	0.1
Asia										
U.S. claims data	3.8	14.2	1.4	4.5	-3.0	-9.5	-3.4	-11.9	-4.8	-19.0
U.K. claims data	1.4	16.5	0.4	3.6	-0.3	-3.0	0.2	2.3	-0.1	-1.1
Indonesia										
U.S. claims data	0.6	24.2	0.6	19.9	-0.2	-5.0	-0.6	-18.8	-0.6	-21.6
U.K. claims data	0.5	63.6	0.3	26.0	--	2.1	-0.1	-3.0	--	-1.0
Korea										
U.S. claims data	2.1	24.1	0.5	4.1	-1.5	-13.3	-0.8	-7.9	-3.2	-34.6
U.K. claims data	0.3	10.8	-0.2	-7.4	-0.1	-2.5	-0.1	-2.0	-0.3	-9.8
Philippines										
U.S. claims data	0.4	6.9	0.3	5.5	-0.6	-10.0	--	-0.7	-0.3	-5.8
U.K. claims data	0.2	11.7	0.1	4.2	-0.2	-9.6	-0.1	-8.7	0.1	6.0
Europe										
U.S. claims data	-1.2	-10.0	0.4	4.1	-0.7	-6.5	-0.6	-5.8	-1.7	-17.6
U.K. claims data	-0.5	-5.7	-0.1	-0.3	-0.5	-6.0	0.2	2.4	--	0.2
Middle East										
U.S. claims data	0.3	8.1	0.3	8.5	-0.4	-9.0	-0.7	-18.8	-0.6	-20.3
U.K. claims data	0.5	32.0	-0.2	-11.2	-0.2	-13.3	--	2.0	-0.1	-6.2
Western Hemisphere										
U.S. claims data	6.9	8.2	2.1	2.3	1.8	1.9	-4.5	-4.7	-3.5	-3.9
U.K. claims data	1.6	6.1	1.1	3.9	0.8	2.8	-0.1	-0.5	1.0	3.2
Argentina										
U.S. claims data	-0.2	-2.0	0.3	3.3	-0.5	-6.3	0.4	5.5	0.1	1.4
U.K. claims data	-0.3	-7.8	0.1	2.8	-0.1	-1.3	0.3	8.3	0.4	11.8
Brazil										
U.S. claims data	3.6	21.5	0.2	1.1	3.2	15.6	-1.1	-4.5	-0.4	-1.7
U.K. claims data	1.2	18.2	0.7	8.5	0.7	8.5	-0.2	-2.2	0.4	4.1
Mexico										
U.S. claims data	2.9	13.4	2.0	8.0	0.2	0.7	-1.6	-6.0	-1.3	-5.1
U.K. claims data	0.2	3.1	0.3	3.8	0.1	1.1	-0.1	-0.9	--	0.1
Venezuela										
U.S. claims data	1.1	10.5	-0.3	-2.8	-0.4	-4.0	-0.7	-6.7	-1.0	-9.7
U.K. claims data	-0.1	-4.3	-0.2	-5.4	-0.1	-4.2	-0.1	-2.9	--	-1.8

Sources: Federal Financial Institutions Examination Council, Country Exposure Lending Survey; and Bank of England, Bank of England Quarterly Bulletin.

1/ These data are not adjusted for the impact of exchange rate movements and are based on consolidated reports of banks; owing to rounding, components may not add.
2/ Excludes offshore banking centers.

Table 22. International Positions of
Banks by Nationality of Ownership, December 1986

(In billions of U.S. dollars)

Parent Country of Bank	Total Claims: Dec. 1986	Total Claims: Change During 1986	Of which, on Related Offices: Dec. 1986	Related Offices: Change During 1986	Other Banks: Dec. 1986	Other Banks: Change During 1986	Nonbanks 1/: Dec. 1986	Nonbanks 1/: Change During 1986
Total	3,406.3	725.8	809.9	213.5	1,541.7	338.5	1,035.1	172.4
Of which:								
Canada	...	...	...	...	...	...	...	...
France	276.1	42.4	33.7	4.3	155.6	25.1	86.4	12.7
Germany, Federal Republic of	270.0	78.8	17.8	4.4	172.1	63.7	79.7	10.6
Italy	145.1	31.9	5.2	1.7	103.3	19.7	36.3	10.4
Japan	1,117.7	411.0	363.3	171.3	444.6	142.4	307.8	97.4
Switzerland	152.0	42.8	23.0	6.9	80.9	26.0	40.5	9.2
United Kingdom	211.7	19.5	29.1	4.1	101.6	9.8	79.2	5.9
United States	598.3	8.8	252.8	4.7	179.9	7.0	163.0	-2.7

Parent Country of Bank	Total Liabilities: Dec. 1986	Total Liabilities: Change During 1986	Of which, to Related Offices: Dec. 1986	Related Offices: Change During 1986	Other Banks: Dec. 1986	Other Banks: Change During 1986	Nonbanks 1/: Dec. 1986	Nonbanks 1/: Change During 1986
Total	3,276.5	705.6	860.8	259.8	1,502.5	318.2	767.8	105.7
Of which:								
Canada	...	...	...	...	...	...	...	...
France	263.9	45.4	42.0	7.5	171.7	31.9	47.1	4.9
Germany, Federal Republic of	203.6	46.0	27.9	7.2	100.1	14.0	72.9	24.6
Italy	150.6	35.7	7.6	2.0	125.0	29.7	12.4	1.7
Japan	1,070.5	397.8	399.6	203.5	512.0	154.1	113.3	23.2
Switzerland	133.0	33.9	55.5	15.7	31.7	15.1	37.9	5.3
United Kingdom	226.2	23.7	31.3	6.0	88.6	6.2	77.3	8.7
United States	571.9	19.6	222.2	3.7	120.2	7.6	196.7	10.9

Parent Country of Bank	Net Claims/ Net Liabilities: Dec. 1986	Net Claims/ Net Liabilities: Net Change 1986	Of which, on/to Related Offices: Dec. 1986	Related Offices: Net Change 1986	Other Banks: Dec. 1986	Other Banks: Net Change 1986	Nonbanks 1/: Dec. 1986	Nonbanks 1/: Net Change 1986
Total	129.8	20.2	-50.9	-46.3	39.2	20.3	267.3	66.7
Of which:								
Canada	...	...	...	...	...	...	...	...
France	12.2	-3.0	-8.3	-3.2	-16.1	-6.8	39.3	7.8
Germany, Federal Republic of	66.4	32.8	-10.1	-2.8	72.0	49.7	6.8	-14.0
Italy	-5.5	-3.8	-2.4	-0.3	-21.7	-10.0	23.9	8.7
Japan	47.2	13.2	-36.3	-32.2	-67.4	-11.7	194.5	74.2
Switzerland	19.0	8.9	-32.5	-8.8	49.2	10.9	2.6	3.9
United Kingdom	-14.5	-4.2	-2.2	-1.9	13.0	3.6	1.9	-2.8
United States	26.4	-10.8	30.6	1.0	59.7	-0.6	-33.7	-13.6

Source: Bank for International Settlements, International Banking Developments.

1/ Includes assets and liabilities vis-a-vis official monetary institutions.

Table 23. Cross Country Comparison of External Assets and Liabilities, End-December 1986 1/

(Billions of U.S. dollars)

	Cross-Border Interbank Accounts by Residence of Borrowing Bank	International Bank Credits to Nonbanks by Residence of Borrower	Total External Liabilities of Banks and Non-banks to Banks	Cross-Border Interbank Accounts by Residence of Lending Bank	International Bank Deposits of Nonbanks by Residence of Depositor	Total External Assets of Banks and Nonbanks with Banks	Net External Liabilities of Banks and Nonbanks to Banks
Industrial countries	2112.6	405.8	2518.4	2088.8	403.8	2492.6	25.8
Major industrial countries	1645.1	260.3	1905.4	1527.4	305.3	1832.7	72.7
Other industrial countries	467.5	145.5	613.0	561.4	98.5	659.9	-46.9
Centrally planned economies	43.2	9.1	52.3	24.6	0.5	25.1	27.2
Czechoslovakia	2.2	1.0	3.2	1.2	0.1	1.3	1.9
German Democratic Republic	10.5	1.6	12.1	7.3	0.2	7.5	4.6
U.S.S.R.	24.1	5.4	29.5	14.6	0.1	14.7	14.8
Other	6.4	1.1	7.5	1.5	0.1	1.6	5.9
Offshore centers	517.8	48.2	566.0	547.1	83.5	630.6	-64.6
Developing countries (excl. offshore centers)	263.5	363.9	627.4	256.4	195.3	451.7	175.7
Capital importing developing countries	243.8	346.1	589.9	175.9	154.2	330.1	259.8
Africa	17.2	54.9	72.1	10.6	18.2	28.8	43.3
Cote d'Ivoire	0.3	3.2	3.5	0.2	0.5	0.7	2.8
Liberia	--	10.2	10.2	--	5.3	5.3	4.9
Morocco	0.5	4.3	4.8	0.3	0.7	1.0	3.8
Nigeria	0.3	8.2	8.5	1.9	1.7	3.6	4.9
South Africa	7.5	8.8	16.3	1.2	1.7	2.9	13.4
Other	8.6	20.2	28.8	7.0	8.3	15.3	13.5
Asia	56.6	65.2	121.8	88.6	15.1	103.7	18.1
China	8.4	3.9	12.3	7.0	0.6	7.6	4.7
India	--	5.4	5.4	3.0	2.5	5.5	-0.1
Indonesia	0.3	16.5	16.8	8.0	0.7	8.7	8.1
Korea	22.6	11.7	34.3	5.5	0.7	6.2	28.1
Malaysia	2.1	9.6	11.7	6.2	0.6	6.8	4.9
Philippines	5.9	6.4	2.3	2.8	1.3	4.1	8.2
Thailand	1.6	5.2	6.8	3.1	0.5	3.6	3.2
Other	15.7	6.5	22.2	53.0	8.2	61.2	-39.0
Europe	44.1	31.0	75.1	20.1	15.1	35.2	39.9
Greece	8.4	6.9	15.3	2.8	6.1	8.9	6.4
Hungary	12.5	1.3	13.8	3.9	0.1	4.0	9.8
Poland	8.0	3.1	11.1	1.5	0.2	1.7	9.4
Portugal	1.6	9.0	10.6	3.4	3.5	6.9	3.7
Romania	2.0	0.9	2.9	1.4	--	1.4	1.5
Turkey	4.5	4.6	9.1	3.3	2.2	5.5	3.6
Yugoslavia	6.9	3.4	10.3	1.9	0.5	2.4	7.9
Other	0.2	1.8	2.0	1.9	2.5	4.4	-2.4
Middle East	12.2	10.1	22.3	21.4	25.1	46.5	-24.2
Egypt	7.4	4.3	11.7	7.5	3.1	10.6	1.1
Israel	2.6	2.6	5.2	7.8	2.9	10.7	-5.5
Syrian Arab Republic	1.0	0.2	1.2	0.2	1.1	1.3	-0.1
Other	1.2	3.0	4.2	5.9	18.0	23.9	-19.7
Western Hemisphere	113.8	185.0	298.8	35.3	80.8	116.1	182.7
Argentina	10.4	21.3	31.7	2.3	8.6	10.9	20.8
Brazil	38.2	54.9	93.1	7.2	10.5	17.7	75.4
Chile	9.8	6.8	16.6	2.6	2.4	5.0	11.6
Colombia	1.6	5.6	7.2	0.9	2.9	3.8	3.4
Mexico	35.5	58.0	93.5	7.8	16.1	23.9	69.6
Nicaragua	1.8	0.8	2.6	0.5	0.4	0.9	1.7
Peru	0.5	3.8	4.3	1.6	1.7	3.3	1.0
Venezuela	4.2	20.0	24.7	4.0	13.1	17.1	7.6
Other	11.8	13.3	25.1	8.4	25.1	33.5	-8.4
International organizations and unallocated	36.2	173.1	209.3	32.4	235.9	268.3	-59.0
of which: international organizations	36.2	15.9	52.1	32.4	7.9	40.3	11.8
Total	2973.3	1000.1	3973.4	2949.3	918.9	3868.2	105.2

Source: International Monetary Fund, International Financial Statistics.

1/ Data includes U.K. monetary sector and other financial institutions' holdings of bonds.

Table 24. External Assets of BIS Reporting Banks by Maturity and Undisbursed Credit Commitments, December 1982-December 1986

(In billions of U.S. dollars)

	December 1982			December 1983 1/			December 1984 2/			December 1985 3/			December 1986		
	External assets		Undisbursed credit commitments	External assets		Undisbursed credit commitments	External assets		Undisbursed credit commitments	External assets		Undisbursed credit commitments	External assets		Undisbursed credit commitments
	Total	Up to and including one year		Total	Up to and including one year		Total	Up to and including one year		Total	Up to and including one year		Total	Up to and including one year	
Claims on:															
Industrial countries outside the BIS reporting area	67.3	29.4	20.1	72.1	30.9	22.0	80.8	36.3	21.7	51.7	24.4	20.8	67.0	32.4	20.4
Australia	15.0	5.2	9.0	18.2	6.4	8.8	23.0	9.4	9.6	26.2	11.5	12.3	34.4	15.8	12.2
Finland	9.0	5.1	2.0	9.4	5.5	2.6	11.3	6.9	1.4	-- 3/	-- 3/	-- 3/	-- 3/	-- 3/	-- 3/
Norway	11.3	5.1	3.4	10.7	4.6	4.0	11.3	5.4	3.9	14.1	7.9	4.5	17.5	10.0	3.9
Spain	24.6	10.1	2.8	26.9	11.0	3.4	27.1	11.0	3.2	-- 3/	-- 3/	-- 3/	-- 3/	-- 3/	-- 3/
Other	7.4	3.9	2.9	6.9	3.4	3.2	8.1	3.6	3.6	11.4	5.0	4.0	15.1	6.6	4.3
Developing countries	447.1	213.0	79.6	468.6	210.2	75.1	471.1	193.7	68.1	503.7	218.8	68.8	518.3	210.5	68.9
Capital importing developing countries	425.9	195.7	62.9	442.3	188.6	68.0	444.8	173.2	60.4	476.7	197.9	62.3	491.5	190.0	64.1
Africa	56.4	21.5	13.5	60.5	24.2	13.3	59.5	25.1	11.7	63.2	27.5	10.0	66.6	31.7	7.4
Cote d'Ivoire	(3.4)	(0.9)	(0.4)	(3.1)	(0.8)	(0.2)	(2.7)	(0.6)	(0.1)	(2.9)	(0.7)	(0.2)	(3.3)	(0.9)	(0.3)
Morocco	(3.9)	(1.0)	(0.4)	(3.9)	(1.1)	(0.2)	(3.8)	(1.2)	(0.3)	(4.5)	(1.7)	(0.3)	(4.9)	(2.3)	(0.2)
Nigeria	(8.5)	(3.1)	(3.9)	(10.0)	(2.7)	(2.6)	(8.9)	(2.6)	(1.9)	(9.2)	(4.0)	(1.2)	(9.9)	(5.1)	(0.7)
South Africa	(14.3)	(8.7)	(3.5)	(18.4)	(11.8)	(3.6)	(18.9)	(12.8)	(3.5)	(17.0)	(11.4)	(2.4)	(15.6)	(11.0)	(1.7)
Zaire	(0.9)	(0.3)	(0.1)	(0.7)	(0.2)	(--)	(0.7)	(0.3)	(0.1)	(0.8)	(0.3)	(0.1)	(0.8)	(0.3)	(0.1)
Other	(25.4)	(7.5)	(6.2)	(24.4)	(7.6)	(6.7)	(24.5)	(7.6)	(5.8)	(28.8)	(9.4)	(5.8)	(32.1)	(12.1)	(4.4)
Asia	71.2	36.8	19.5	80.9	39.4	21.4	84.7	39.2	21.3	93.9	42.5	23.1	99.9	43.2	24.9
China	(1.3)	(0.6)	(3.1)	(2.2)	(1.4)	(3.2)	(3.5)	(2.4)	(3.4)	(6.6)	(4.7)	(5.3)	(6.6)	(3.1)	(6.3)
India	(2.3)	(1.1)	(1.8)	(2.6)	(1.1)	(2.1)	(3.4)	(1.3)	(2.5)	(4.9)	(1.7)	(2.5)	(6.7)	(2.7)	(2.2)
Indonesia	(9.9)	(3.8)	(2.2)	(11.8)	(4.6)	(3.2)	(12.9)	(5.4)	(3.6)	(14.1)	(6.0)	(3.8)	(15.9)	(6.4)	(3.7)
Korea	(23.2)	(13.9)	(3.9)	(25.7)	(14.5)	(4.4)	(26.0)	(13.0)	(4.4)	(28.7)	(13.7)	(4.5)	(27.2)	(12.4)	(5.9)
Malaysia	(6.6)	(1.6)	(1.3)	(8.7)	(2.1)	(1.6)	(10.6)	(2.4)	(1.8)	(10.1)	(2.1)	(1.4)	(10.8)	(2.3)	(1.1)
Philippines	(12.6)	(7.5)	(2.4)	(13.8)	(7.3)	(1.6)	(12.4)	(6.6)	(1.0)	(12.9)	(6.4)	(1.1)	(13.9)	(5.5)	(0.9)
Thailand	(4.9)	(2.8)	(1.6)	(5.8)	(3.5)	(1.4)	(6.5)	(3.5)	(1.4)	(6.9)	(2.9)	(1.4)	(6.7)	(2.5)	(2.0)
Other	(10.4)	(5.5)	(3.2)	(10.3)	(4.9)	(3.9)	(9.4)	(4.6)	(3.2)	(9.7)	(5.0)	(3.1)	(12.1)	(8.3)	(2.8)
Europe	59.3	19.3	6.5	59.2	18.8	5.1	56.4	18.0	5.9	65.1	22.9	6.8	68.0	23.3	7.2
Greece	(10.0)	(3.3)	(2.2)	(11.8)	(3.8)	(2.1)	(12.3)	(4.0)	(2.0)	(14.2)	(5.0)	(1.4)	(14.4)	(4.9)	(1.1)
Hungary	(6.8)	(2.2)	(0.5)	(7.0)	(3.2)	(0.3)	(6.8)	(2.7)	(0.6)	(8.6)	(3.5)	(1.1)	(10.0)	(3.4)	(1.2)
Poland	(13.9)	(4.6)	(0.7)	(10.9)	(2.7)	(0.3)	(8.7)	(2.1)	(0.3)	(9.9)	(2.1)	(0.3)	(10.7)	(2.4)	(0.3)
Portugal	(10.0)	(3.8)	(1.2)	(10.8)	(4.0)	(0.8)	(10.8)	(3.5)	(1.1)	(11.4)	(3.5)	(1.3)	(10.1)	(3.1)	(1.3)
Romania	(4.2)	(1.7)	(0.4)	(3.9)	(0.9)	(0.2)	(3.1)	(0.7)	(0.2)	(3.0)	(0.8)	(0.2)	(2.8)	(1.0)	(0.2)
Turkey	(4.0)	(1.0)	(0.5)	(4.4)	(1.2)	(0.6)	(4.6)	(1.9)	(1.0)	(6.5)	(3.4)	(1.6)	(8.3)	(4.3)	(2.2)
Yugoslavia	(9.8)	(2.6)	(0.7)	(9.8)	(2.7)	(0.5)	(9.3)	(2.6)	(0.5)	(10.3)	(4.1)	(0.5)	(10.3)	(3.7)	(0.6)
Other	(0.6)	(0.1)	(0.3)	(0.6)	(0.3)	(0.3)	(0.8)	(0.5)	(0.2)	(1.2)	(0.5)	(0.4)	(1.4)	(0.5)	(0.3)
Middle East	21.3	16.7	3.5	15.5	10.8	3.6	14.8	10.2	3.3	16.0	10.0	3.5	15.7	9.8	3.4
Egypt	(4.9)	(3.2)	(1.8)	(5.6)	(3.7)	(2.0)	(5.8)	(3.6)	(1.8)	(6.7)	(3.5)	(1.9)	(6.5)	(3.3)	(1.9)
Israel	(6.7)	(4.4)	(0.5)	(6.4)	(4.4)	(0.7)	(5.3)	(3.7)	(0.5)	(5.6)	(3.9)	(0.7)	(5.2)	(3.4)	(0.5)
Other	(9.7)	(9.1)	(1.2)	(3.5)	(2.7)	(0.9)	(3.7)	(2.9)	(1.0)	(3.7)	(2.6)	(0.9)	(4.0)	(3.1)	(1.0)
Western Hemisphere	217.7	101.5	19.9	226.2	95.4	24.6	229.4	80.7	18.2	238.4	94.9	18.9	241.2	81.9	21.2
Argentina	(25.7)	(13.9)	(1.9)	(26.8)	(14.1)	(1.7)	(25.3)	(14.0)	(1.9)	(29.4)	(15.3)	(2.0)	(31.1)	(10.3)	(1.4)
Brazil	(60.5)	(21.1)	(5.3)	(60.6)	(16.9)	(5.0)	(65.4)	(16.4)	(3.7)	(66.7)	(20.7)	(4.5)	(69.4)	(25.6)	(4.9)
Chile	(11.6)	(4.6)	(1.0)	(12.5)	(4.6)	(1.2)	(13.2)	(3.7)	(0.7)	(14.3)	(5.4)	(1.0)	(14.2)	(5.5)	(0.7)
Colombia	(6.3)	(2.9)	(1.2)	(6.8)	(3.2)	(0.8)	(6.5)	(2.6)	(0.9)	(6.4)	(2.8)	(1.2)	(6.7)	(2.4)	(1.2)
Ecuador	(4.5)	(2.5)	(0.5)	(4.8)	(2.3)	(0.5)	(4.7)	(1.7)	(0.3)	(5.0)	(2.0)	(0.6)	(5.3)	(1.8)	(0.7)
Mexico	(62.9)	(29.9)	(3.7)	(69.3)	(29.4)	(8.6)	(70.9)	(17.1)	(3.5)	(71.7)	(20.3)	(3.3)	(70.9)	(16.5)	(4.3)
Peru	(5.4)	(3.2)	(1.1)	(5.1)	(2.3)	(0.8)	(4.8)	(2.1)	(0.7)	(4.7)	(2.4)	(0.5)	(4.5)	(2.6)	(0.4)
Venezuela	(27.5)	(15.8)	(2.4)	(27.6)	(16.3)	(0.9)	(26.7)	(17.4)	(0.9)	(27.1)	(19.6)	(1.0)	(25.9)	(11.3)	(1.4)
Other	(13.3)	(7.6)	(2.8)	(12.7)	(6.3)	(4.1)	(11.9)	(5.7)	(5.6)	(13.1)	(6.4)	(4.8)	(13.2)	(5.9)	(6.2)
Centrally planned economies	29.7	12.4	5.7	30.0	12.9	6.2	29.6	12.8	4.2	40.2	18.3	7.6	51.4	22.5	6.6
Czechoslovakia	2.8	0.9	0.3	2.7	0.9	0.2	2.4	0.8	0.4	2.7	1.2	0.6	3.1	1.7	0.8
German Democratic Republic	8.9	3.5	1.2	8.4	3.3	0.8	8.4	3.7	1.1	10.3	4.4	1.8	12.2	4.7	1.7
U.S.S.R.	14.6	6.6	3.9	15.6	7.0	4.8	15.8	6.6	1.9	22.0	10.0	4.3	28.7	12.4	3.2
Other	3.4	1.5	0.3	3.3	1.7	0.4	3.0	1.7	0.8	5.2	2.7	0.9	7.4	3.7	0.9
Total	544.1	254.9	105.4	570.8	254.0	103.2	581.5	242.8	94.0	595.6	261.5	97.2	636.7	265.4	95.9

Note: Up to June 1984 the reporting area for these data includes branches of U.S. banks and the affiliates in offshore reporting centers of banks in other countries. The December 1984 data are on a worldwide consolidated basis for all reporting countries. This series is only available semiannually and has longer lags than the data presented in quarterly publications of the Bank for International Settlements on international capital markets developments.

Source: Bank for International Settlements, The Maturity Distribution of International Bank Lending.

1/ Due to a change in the coverage and partial consolidation of the reporting area, 1983 figures should not be directly compared to 1982.
2/ Figures are based on fully consolidated reports of banks, and should not be directly compared to 1983.
3/ As of December 1985, Finland and Spain are included in the reporting area.

Table 25. Long-Term Bank Credit Commitments, 1981-May 1987

(In billions of U.S. dollars)

	1981	1982	1983	1984 1/	1985 2/	1986 3/	Jan.-May 1986	Jan.-May 1987 4/
	(Long-term external credit commitments)							
Industrial countries	44.8	51.6	27.9	29.9	31.6	36.4	13.2	16.5
Seven major	27.8	31.2	15.0	18.2	23.9	22.1	9.0	13.6
Other	17.0	20.4	12.9	11.7	7.7	14.4	4.2	2.9
Developing countries 5/	44.4	42.4	34.0	31.3	17.0	24.8	6.5	7.1
Capital-importing 5/	43.3	40.4	31.7	30.2	15.4	23.3	5.8	7.1
Africa	4.1	2.7	2.7	0.6	1.3	1.8	0.5	0.3
Asia	10.0	11.1	9.4	9.4	7.0	8.0	3.7	3.1
Europe	4.7	3.7	3.5	3.7	4.4	5.2	1.6	1.5
Middle East	0.2	0.4	0.6	0.4	0.3	0.1	--	0.2
Western Hemisphere	24.3	22.5	15.5	16.1	2.3	8.3	--	2.1
Offshore banking centers	3.7	2.2	1.2	0.9	0.6	1.1	0.2	0.2
Centrally planned economies 6/	0.7	0.2	0.5	1.9	3.5	2.3	1.1	0.7
International organizations and unallocated	1.0	1.8	3.9	3.5	2.5	1.9	0.5	0.5
Total	94.6	98.2	67.5	67.5	55.2	66.4	21.6	25.0
	(Other international long-term bank facilities)							
Industrial countries	46.5	3.1	12.4	47.8	51.6	27.5	12.0	7.7
Seven major	45.9	1.4	10.6	33.9	35.9	15.9	6.0	5.0
Other	0.6	1.7	1.8	13.9	15.7	11.5	6.0	2.8
Developing countries 5/	6.5	1.9	0.8	6.5	2.7	3.7	1.7	0.4
Capital-importing 5/	6.5	1.9	0.7	6.2	2.5	3.7	1.7	0.4
Africa	0.1	--	--	0.2	--	--	--	--
Asia	0.2	0.3	0.4	1.1	1.5	2.0	1.0	0.2
Europe	--	0.4	0.3	0.7	0.9	1.5	0.7	0.2
Middle East	--	--	--	--	--	--	--	--
Western Hemisphere	6.2	1.2	--	4.3	0.1	0.1	--	--
Offshore banking centers	--	0.2	0.2	0.4	1.6	0.7	0.3	0.2
Centrally planned economies 6/	--	--	--	--	--	0.5	0.3	0.2
International organizations and unallocated	0.1	0.2	0.1	0.6	0.9	0.3	0.1	--
Total	53.1	5.4	13.5	55.3	56.8	32.8	14.4	8.6
	(Total international commitments)							
Industrial countries	91.3	54.6	40.2	77.6	83.2	63.9	25.2	24.2
Seven major	73.6	32.6	25.5	52.1	59.5	38.0	15.0	18.6
Other	17.6	22.1	14.7	25.5	23.4	25.9	10.2	5.7
Developing countries 5/	50.9	44.3	34.8	37.8	19.7	28.5	8.2	7.5
Capital-importing 5/	49.8	42.3	32.4	36.4	17.9	27.0	7.5	7.5
Africa	4.2	2.7	2.7	0.8	1.3	1.8	0.5	0.3
Asia	10.2	11.4	9.8	10.5	8.5	10.0	4.7	3.3
Europe	4.7	4.1	3.8	4.5	5.3	6.7	2.3	1.7
Middle East	0.2	0.4	0.6	0.4	0.3	0.1	--	0.2
Western Hemisphere	30.5	23.7	15.5	20.4	2.3	8.4	--	2.1
Offshore banking centers	3.7	2.4	1.3	1.4	2.2	1.8	0.6	0.4
Centrally planned economies 6/	0.7	0.2	0.5	1.9	3.5	2.8	1.4	0.9
International organizations and unallocated	1.1	2.0	4.0	4.1	3.4	2.3	0.6	0.5
Total	147.7	103.6	81.0	122.7	112.0	99.2	36.0	33.6
Memorandum item:								
Other international long-term bank facilities, excluding merger-related facilities	...	5.4	9.5	28.8	46.8	27.0	...	...

Note: Owing to rounding, components may not add.

Sources: Organization for Economic Cooperation and Development, Financial Statistics Monthly; and Fund staff estimates.

1/ Includes agreements in principle with Argentina, Cote d'Ivoire, Ecuador, and the Phillipines.
2/ Includes $0.1 billion revolving trade facility for Costa Rica.
3/ Includes agreements in principle with Congo, Mexico, and Nigeria.
4/ Includes agreement in principle with Argentina.
5/ Excludes offshore banking centers.
6/ Excludes Fund member countries.

Table 26. Terms of Long-Term
Bank Credit Commitments, 1981-First Quarter 1987 1/

(In percent, unless otherwise indicated)

	1981	1982	1983	1984 2/	1985 3/	1986 4/	1st Qtr. 1987 5/
Six-month Eurodollar interbank rate (average)	16.72	13.60	9.93	11.29	8.64	6.85	6.36
U.S. prime rate (average)	18.87	14.86	10.79	12.04	9.93	8.33	7.50
Average maturity (in years/months)	7/8	7/7	7/3	7/9	7/8	7/0	6/6
OECD countries	7/8	8/3	7/8	7/4	7/3	6/8	5/5
Centrally planned economies	5/7	4/9	4/5	5/11	7/5	7/5	7/6
Oil exporting countries	7/9	6/0	7/2	7/7	6/11	7/9	10/5
Other developing countries	7/9	7/0	7/0	8/11	9/1	8/2	8/7
Average spread	0.80	0.77	1.15	0.93	0.60	0.40	0.35
OECD countries	0.58	0.56	0.65	0.55	0.41	0.36	0.28
Centrally planned economies	0.62	1.03	1.18	0.88	0.55	0.26	0.23
Oil exporting countries	0.79	0.94	0.85	0.76	0.72	0.46	0.63
Other developing countries	1.04	1.14	1.70	1.44	0.99	0.67	0.60

Sources: Organization for Economic Cooperation and Development, Financial Market Trends; International Monetary Fund, International Financial Statistics (for Eurodollar rate); and U.S. Federal Reserve System, Federal Reserve Bulletin (for prime rate).

1/ OECD country classification.
2/ Does not include terms of agreements in principle with Argentina and the Philippines.
3/ Does not include terms of agreement in principle with Chile and Colombia.
4/ Does not include terms of agreement in principle with Mexico.
5/ Does not include terms of agreement in principle with Argentina.

Table 27: Bank Credit Commitments by Country of Destination, 1981-87

(In billions of U.S. dollars)

	1981	1982	1983	1984 1/	1985 2/	1986 3/	Jan.-May 1986	Jan.-May 1987 4/
Industrial countries	44.8	51.6	27.9	29.9	31.6	36.4	13.2	16.5
Australia	3.9	5.9	2.7	2.4	0.8	5.0	1.7	0.6
Belgium	0.5	2.0	0.1	0.9	0.7	0.8	0.6	--
Canada	5.1	7.0	2.1	2.7	6.9	4.6	0.1	0.3
Denmark	1.6	1.6	2.2	0.7	0.3	0.3	--	0.4
France	0.6	6.6	1.5	2.0	4.0	3.6	0.7	1.6
Italy	6.4	5.3	2.8	4.7	4.7	6.0	2.2	1.2
Spain	4.8	2.0	2.7	3.5	2.5	4.4	1.0	0.5
Sweden	2.5	2.0	2.6	0.4	0.8	0.1	--	0.1
United Kingdom	2.6	2.2	0.9	3.3	5.1	2.2	2.2	7.8
United States	12.9	10.0	7.3	5.3	3.1	4.7	3.6	2.6
Other	3.9	7.0	3.0	4.0	2.7	4.7	1.1	1.4
Centrally planned economies	0.7	0.2	0.5	2.2	3.5	2.3	1.1	0.7
Czechoslovakia	--	--	0.1	--	0.1	0.4	--	--
German Democratic--Republic	0.5	0.1	0.4	0.7	1.2	0.1	0.1	--
U.S.S.R.	--	0.1	--	0.9	1.5	1.3	0.9	0.4
Other	0.2	--	--	0.3	0.7	0.5	0.1	0.3
Developing countries 5/	44.4	42.4	34.0	31.3	17.0	24.8	6.5	7.1
Capital-importing developing countries 5/	43.3	40.4	31.7	30.2	15.4	23.3	5.8	7.1
Africa	4.1	2.7	2.7	0.6	1.3	1.8	0.5	0.3
Cote d'Ivoire	0.6	0.5	--	0.1	0.1	--	--	--
Morocco	0.6	0.2	0.1	--	--	--	--	--
Nigeria	2.0	0.4	0.2	--	--	0.3	--	--
South Africa	0.3	1.0	0.2	0.2	--	--	--	--
Other	0.6	0.6	2.2	0.3	1.2	1.5	0.5	0.2
Asia	10.0	11.1	9.4	9.4	7.0	8.0	3.7	3.1
China	0.5	0.3	0.1	0.2	2.2	1.8	1.0	1.0
India	1.0	0.4	0.7	0.6	0.2	1.2	0.4	0.5
Indonesia	1.1	1.1	2.0	1.6	0.1	1.0	0.7	0.6
Korea	3.2	3.6	3.5	3.7	3.6	1.4	0.8	0.6
Malaysia	1.5	2.4	1.4	1.0	0.2	1.3	0.2	0.1
Philippines	0.9	1.1	0.6	0.9	--	--	--	--
Thailand	0.8	0.3	0.4	0.8	0.4	0.9	0.5	0.2
Other	1.0	1.9	0.7	0.6	0.3	0.4	0.1	0.1
Europe	4.7	3.7	3.5	3.7	4.4	5.2	1.6	1.5
Greece	1.0	0.9	1.2	1.1	0.6	1.1	0.5	--
Hungary	0.6	0.3	0.5	0.8	0.9	0.8	0.1	0.4
Portugal	1.7	1.5	1.0	1.0	1.6	1.4	0.5	0.5
Turkey	--	0.3	0.3	0.4	1.1	1.9	0.5	0.6
Yugoslavia	1.0	0.5	0.6	--	--	--	--	--
Other	0.4	0.2	--	0.4	0.2	--	--	--
Middle East	0.2	0.4	0.6	0.4	0.3	0.1	--	0.2
Egypt	--	0.4	0.1	--	0.1	--	--	--
Jordan	0.2	--	0.3	0.3	0.2	--	--	0.2
Other	--	--	0.1	--	--	0.1	--	--
Western Hemisphere	24.3	22.5	15.5	16.1	2.3	8.3	--	2.1
Argentina	2.8	1.3	1.8	4.2	--	--	--	2.0
Brazil	6.9	7.3	4.6	6.5	--	--	--	--
Chile	2.3	1.2	1.4	0.8	1.1	--	--	--
Colombia	1.0	0.6	0.4	0.4	1.1	0.1	--	--
Ecuador	0.3	0.1	0.4	0.2	--	0.2	--	--
Mexico	7.9	6.5	5.1	3.8	--	7.7	--	--
Peru	0.9	1.1	0.5	--	--	--	--	--
Venezuela	1.4	4.0	0.2	--	--	--	--	--
Other	0.8	0.4	1.1	0.2	0.1	0.4	--	0.1
Offshore banking centers	3.7	2.2	1.2	0.9	0.6	1.1	0.2	0.2
International organizations and unallocated	1.0	1.8	3.9	3.5	2.5	1.9	0.5	0.5
Total	94.6	98.2	67.5	67.5	55.2	66.4	21.6	25.0

Note: Owing to rounding, components may not add.

Sources: Organization for Economic Cooperation and Development, Financial Statistics Monthly; and Fund staff estimates.

1/ Includes agreements in principle with Argentina, Cote d'Ivoire, Ecuador, and the Philippines.
2/ Includes $0.1 billion revolving trade facility for Costa Rica.
3/ Includes agreements in principle with Congo, Mexico, and Nigeria.
4/ Includes agreement in principle with Argentina.
5/ Excludes offshore banking centers.

Table 28. Chronology of Bank Debt Restructurings and Bank Financial Packages, 1978-First Half 1987

Agreement classified by month of signature 1/

1978

Peru: June, December
Jamaica: September

1979

Jamaica: April
Turkey: June 2/, August

1980

Peru: January
Togo: March
Zaire: April
Bolivia: August, December (deferment)
Nicaragua: December

1981

Bolivia: April
Jamaica: June 2/
Madagascar: July, November
Turkey: August
Nicaragua: December
Sudan: December

1982

Nicaragua: March
Sudan: March (modification of 1981 agreement)
Turkey: March
Poland: April, November 2/
Madagascar: October
Guyana: June (deferment)
Liberia: December
Romania: December

1983

Zaire: January (deferment)
Brazil: February 2/
Malawi: March
Sudan: April (modification of 1981 agreement)
Bolivia: May, October (deferment)
Romania: June
Chile: July 2/
Guyana: July (deferment)
Nigeria: July, September
Peru: July 2/
Uruguay: July 2/
Mexico: August 2/
Panama: September 2/
Costa Rica: September 2/
Yugoslavia: September 2/
Ecuador: October 2/
Togo: October
Poland: November 2/
Argentina: December (new financing only)
Dominican Republic: December

1984

Brazil: January 2/
Chile: January, June, and November
Sierra Leone: January
Guyana: January, July (deferment)
Nicaragua: February (deferment)
Peru: February 3/
Senegal: February
Niger: March
Mexico: April (new financing only)
Sudan: April (modification of 1981 agreement)
Yugoslavia: May
Jamaica: June
Zaire: June (deferment)
Poland: July 2/
Madagascar: October
Zambia: December 3/

1985

Cote d'Ivoire: March 2/
Mexico: March, August
Costa Rica: May 2/
Senegal: May
Philippines: May 2/
Zaire: May (deferment)
Argentina: August 2/
Jamaica: September
Panama: October 2/
Sudan: October (modification of 1981 agreement)
Chile: November 2/
Colombia: December (new financing only)
Ecuador: December 2/
Yugoslavia: December

1986

Dominican Republic: February
Morocco: February
Venezuela: February
South Africa: March (standstill)
Niger: April
Zaire: May (deferment)
Uruguay: July
Brazil: July
Poland: September 2/
Romania: September
Congo: October 2/ 3/
Nigeria: November 2/ 3/
Morocco: December 3/
Cote d'Ivoire: December

1987

Venezuela: February 3/
Jamaica: March 3/
South Africa: March 3/
Philippines: March 3/
Mexico: March 2/
Argentina: April 2/ 3/
Zaire: May (deferment)
Mozambique: May 3/
Chile: June

Under negotiation; classified by year of approach to banks

1984	1985	1986	1987
Peru	Nicaragua	Bolivia	Gabon
	Sudan	Honduras	Costa Rica

Note: "Restructuring" covers rescheduling and also certain refinancings of member countries.

Sources: Restructuring agreements; and Fund staff estimates.

1/ Agreement either signed or reached in principle (if signature has not yet taken place).
2/ The restructuring agreement includes new financing.
3/ Agreed in principle or tentative agreement with Bank's Steering Committee.

Table 29. Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Argentina					
Bridging loan (1982) 1/		1,300 2/	7 months	14 months	1 5/8-1 1/2
New medium-term loan (1983)	New financing	1,500	3	4 1/2	2 1/4-2 1/8
Agreement in principle of December 3, 1984, final agreement 3/ of August 27, 1985:					
Refinancing of medium- and long-term debt					
Public and publicly guaranteed debt					
Due in 1982 and 1983	100 percent of principal)	14,200	3	10	1 3/8
Due in 1984 and 1985	100 percent of principal)		3	12	1 3/8
Private sector nonguaranteed debt	)		3	10	1 3/8
New medium-term loan	New financing	3,700	3	10	1 5/8-1 1/4
New trade credit deposit facility		500	--	4	1 3/8-1
Trade credit maintenance facility	Banks would maintain trade credit at levels of September 30, 1984 (estimate)	1,200	--	--	1 1/8-3/4
Stand-by money market facility	Banks would make available to the Central Bank on request any amounts outstanding to foreign branches and agencies of Argentine banks on September 30, 1984	1,400	--	--	1/4
Agreement in principle of April 24, 1987					
Rescheduling of public and private sector indebtedness 4/	100 percent of principal	25,300	7	19	13/16
Rescheduling of 1983 and 1985 term credit agreements	100 percent of principal	4,200	5	12	13/16
New medium-term loan	New financing	1,550	5	12	7/8
New trade credit and deposit facility	New financing	400	--	4	7/8
Amendment to trade credit and deposit facility of 1985	Maturity lengthened to coincide with 1987 trade credit deposit facility	500	--	4	13/16
Trade credit maintenance facility	Banks will continue to maintain trade credit at levels of September 30, 1984 (estimate)	1,200	--	2	13/16
Stand-by money market facility	Banks will continue to make available to the Central Bank on request any amounts outstanding to foreign branches and agencies of Argentine banks on September 30, 1984	1,400	--	2	3/4
Bolivia					
Deferment agreement of August 1980 and December 1980: short- and medium-term debt falling due August 1980-March 1981	100 percent of principal	200	--	to April 1981	1 3/4
Refinancing agreement of April 1981:					
Conversion and consolidation of:					
Deferred short-term debt	80 percent of principal	99	2	3 1/2	2
Deferred medium-term debt	90 percent of principal	69	3	7	2 1/4
Refinancing of debt:					
Due April 1981/March 1982	90 percent of principal	120	3	6	2 1/4
Due April 1982/March 1983 5/	90 percent of principal	124	2	5	2 1/4
Normalization plan of May 1983: 6/					
Principal payments falling due April 1-October 6, 1983	Moratorium on 100 percent of principal	87	--	--	Originally contracted rates
Arrears on interest payments	New schedule of payments 7/	118	--	Within September 1983	
Interim plan of October 1983:					
Deferment of:					
Obligations arising from 1981 rescheduling	100 percent of principal	48	2 more years	...	...
Maturities falling due April 1983-January 1984	100 percent of principal	261	4	...	...

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Brazil					
Agreement of February 25, 1983:					
Rescheduling of medium- and long-term debt due in 1983	100 percent of principal	4,452	2 1/2 8/	8	2 1/8-1 7/8 9/ 2 1/4-2 9/
Short-term debt (1983)	100 percent rollover in 1983	15,675	--	--	...
New loan commitments (1983)	New financing	4,400	2 1/2	8	2 1/8-1 7/8 10/
Agreement of January 27, 1984:					
Rescheduling of:					
Medium- and long-term debt due in 1984	100 percent of principal	4,846 11/	5	9	2-1 3/4
Short-term debt (1984)	100 percent rollover	15,100	--	--	...
New loan commitment (1984)	New financing	6,500	5	9	2-1 3/4
Agreement of July 25, 1986					
Rescheduling of medium- and long-term due in 1985	100 percent of principal	6,671	5	7	1 1/8
Deferment of medium- and long-term due in 1986	100 percent of principal	9,600	...	to March 1987	Original rates
Maintenance of trade and interbank lines	100 percent rollover	14,750	...	to March 1987	Original rates
Chile					
Agreement of July 28, 1983:					
New loan agreed in principle	New financing	1,300	4	7	2 1/4-2 1/8
Rescheduling of medium-term debt due:					
In 1983	100 percent of principal	1,150	4	8	2 1/8-2
In 1984	100 percent of principal	1,019	4	8	2 1/8-2
Rollover of trade-related short-term debt	100 percent rollover until December 1984	1,700	--	--	1 1/2
Agreement of January 25, 1984:					
Short-term nontrade-related debt converted to medium-term debt	100 percent of principal	1,160	4	8	2 1/8
Agreement of June 14, 1984:					
New loan	New financing	780	5	9	1 3/4-1 1/2
Agreement of November 26, 1984:					
Continuation of rollover of short-term trade-related line of credit until June 30, 1985		1,700	--	6 months	Originally contracted rates
Agreement of November 1, 1985					
Restructuring of public and private debt due in 1985-87	100 percent of principal	6,007	6	12	1 3/8 12/
New medium-term loan	New financing	785	5	10	1 5/8-1 1/4
World Bank cofinancing	New financing	300 13/	10 1/2	12	1 5/8-1 1/4
Extension of short-term trade-related facility until 1990	100 percent rollover	1,700	--	--	1 3/8-1 1/8 14/
Agreement of June 17, 1987 15/					
Amendments to 1983-84 new money agreements	100 percent of principal falling due in 1988-90	1,310	4	5	1 1/8
Amendment to 1983-87 restructuring agreements	100 percent of principal falling due in 1988-90	2,400	6	15 1/2	1
1988-91 unrescheduled original maturities	100 percent of principal	2,295	6	15 1/2	1
Extension of short-term trade related facility until end-1989	100 percent rollover	1,700	--	2	1 3/8-1 1/8
Colombia					
Agreement of December 1985					
New loan	New financing	1,000	3	8 1/2	1 1/2 for first 4 years and 1 3/8 thereafter
Congo					
Agreement in principle of October 15, 1986:					
Rescheduling of public sector debt falling due in 1986-88	100 percent of principal	217	3	9	1 7/8-1 1/2
New medium-term loan	New financing	60	2 1/2	8	1 7/8-1 1/2

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Costa Rica					
Agreement of September 10, 1983:					
Principal in arrears prior to 1983	97 1/2 percent	363	3 1/4	7 1/2	2 1/4-2 1/8
Principal falling due in 1983	97 1/2 percent	110	3 1/4	7 1/2	2 1/4-2 1/8
Principal falling due in 1984	100 percent	136	3 1/4	6 1/2	2 1/4-2 1/8
Certificates of deposit 16/					
Falling due prior to 1983	100 percent of principal and interest accrued prior to 1983)		4	8	--
Falling due in 1984	100 percent of principal)	100	5	8	--
New revolving facility 17/	Revolving credit equivalent to 50 percent of interest payments actually paid in 1983	202	2	3	1 3/4-1 5/8
Agreement of May 27, 1985					
Increase in revolving facility originally agreed in September 1983	New financing	75	--	--	1 3/4-1 5/8
Rescheduling of principal falling due in 1985 and 1986	100 percent	440	3	10	1 5/8-1 5/8 18/
Change in terms of revolving facility of 1983	100 percent of principal	202	3	4	1 3/4-1 5/8
Rescheduling of agreed repayments under 1983 agreement					
Due in July 1984	2 1/2 percent of amounts due up to December 1983 (including arrears)	...	2 3/4	7 1/4	1 5/8-1 5/8 18/
Due in January 1985	5 percent of amounts due in 1984	...	3 1/4	7 11/12	1 5/8-1 5/8 18/
Cote d'Ivoire					
Agreement of March 1, 1985:					
Public and publicly guaranteed medium- and long-term debt:					
Due December 1983 and 1984	100 percent of principal	280	2	7	1 7/8-1 5/8
Due 1985	90 percent of principal	221	3	8	1 7/8-1 5/8
New loan		104	3	7	1 7/8-1 5/8
Agreement with Steering Committee of May 21, 1986, Agreement of December 1986					
Public and publicly guaranteed medium- and long-term debt:					
Due in 1986	80 percent of principal	200	3	9	1 5/8 - 1 3/8
Due in 1987	70 percent of principal	196	3	9	1 5/8 - 1 3/8
Due in 1988	60 percent of principal	170	3	9	1 5/8 - 1 3/8
Due in 1989	50 percent of principal	125	3	9	1 5/8 - 1 3/8
Dominican Republic					
Agreement of December 21, 1983:					
Letters of credit outstanding on November 30, 1982, and in arrears at that date; Central Bank acceptances; Public and private debt in arrears as of November 30, 1983; Public and private debt falling due between December 1, 1982-December 31, 1983	95 percent	500	1	5	2 1/4-2 1/8
Agreement of February 24, 1986					
Rescheduling of public and private debt					
In arrears as of December 31, 1984	100 percent	80	3	13	1 3/8
Due in 1985-89	100 percent	707	3	13	1 3/8
Ecuador					
Agreement of October 1983:					
Refinancing of private debt falling due in 1983	100 percent of principal	940	1	7	2 1/4-2 1/8
Refinancing of public debt falling due in 1983 (effective 12/31/83) 19/	90 percent of principal	895 (including 580 in short-term debt)	1	6	2 1/4-2 1/8
New loan	New financing	431	1 1/2	6	2 3/8-2 1/4
Trade credit	100 percent rollover until December 1984	700	--	--	1 1/2-1 5/8

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Ecuador (con't)					
Agreement of December 19, 1985					
Refinancing of the 1985-89 public sector debt	100 percent of principal	2,473	3	12	1 3/8
Rescheduling of deposit facility falling due in 1985-89	100 percent of principal	1,356	3	12	1 3/8
Rescheduling of public medium- and long-term maturities rescheduled under the 1983 agreement	100 percent of principal	431	2	10	1 5/8-1 1/4
New loan	New financing	200	2	10	1 5/8-1 1/4
Extension of trade finance	100 percent rollover until March 1987	700	--	--	--
Under negotiation: Oil export prefinancing facility	New financing	220 20/	--	1 1/2	1 1/2 1 20/
Guyana					
Deferment agreement of June 1982: 21/					
Public and publicly guaranteed medium- and long-term debt due during March 11, 1982-March 31, 1983	100 percent of principal	15	--	--	2 1/2
Deferment agreement of July 1983:					
Amount deferred in June 1982, plus amount due until January 1984	100 percent of principal	24	--	--	2 1/2
Deferment agreement of January 1984:					
Amount deferred in July 1983, plus amount due until July 1984	100 percent of principal	29	--	--	2 1/2
Deferment agreement of July 1984:					
Amount deferred in January 1984 plus amount due until July 1985	100 percent of principal	42	--	--	2 1/2
Deferment agreement of July 1985:					
Amount deferred in July 1984 plus amount due until January 1986	100 percent of principal	47	--	--	2 1/2
Honduras					
Requested by the authorities in January 1982: 22/					
Refinancing of medium- and long-term debt (public entities):					
Due 1981 (arrears)	100 percent of principal	11	9 months	6	2 1/4
Due 1982 (arrears)	100 percent of principal	41	9 months	6	2 1/4
Due 1983 (arrears)	100 percent of principal	36	3-15 months 23/	6	2 1/4
Due 1984	100 percent of principal	32	3-15 months 23/	6	2 1/4
Jamaica					
Agreement of September 1978:					
Due April 1978/March 1979	7/8 of principal	63	2 24/	5 24/	2
Agreement of April 1979:					
Due April 1979/March 1980	7/8 of principal 25/	77	2	5	2
Due April 1980/March 1981	7/8 of principal 25/	72	2	5	2
Agreement of June 1981:					
Due April 1981/March 1983	100 percent of principal	89	2	5	2
of which: 1982/1983	100 percent of principal	41	2	5	2
Syndicated loan (July 1981)	New financing	71	3	7	2 1/4
Other new loans (March 1982)	New financing	18	2	7	2 1/2
Agreement of June 1984:					
Due July 1983 to March 1984	100 percent of principal	65	2	5	2 1/2
Due April 1984 to March 1985	100 percent of principal	100	2	5	2 1/2
Agreement of September 1985					
Due April 1985 to March 1987 26/	100 percent of principal	195	3 27/	10	1 7/8
Agreement in principle of March 10, 1987					
Rescheduling of maturities falling due April 1985 to end-1986	100 percent of principal	185	1 1/2	8 1/2	1 1/4
Rescheduling of maturities falling due January 1987 to March 31, 1990	100 percent of principal	180	9	12 1/2	1 1/4

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Liberia					
Agreement of December 1, 1982: 28/					
Due July 1, 1981-June 30, 1983	95 percent of principal	30	3	6	1 3/4
Madagascar					
Agreement of July-November 1981:					
Rescheduling of arrears on overdrafts	100 percent of principal	147 29/	--	3 1/2	1 1/2
Agreement of October 25, 1984: 30/					
Global restructuring of outstanding public debt 31/					
Of which: in arrears					
Medium-term	100 percent of principal	18	2 1/2	8	2
Short-term	100 percent of principal	52	2 1/2	6	1 3/4
Of which: future maturities					
Medium-term	100 percent of principal	60	2 1/2	8	2
Short-term	100 percent of principal	65	2 1/2	6	1 3/4
Malawi					
Agreement of March 6, 1983:					
Medium- and long-term debt					
Due Sept. 1982-August 1983	85 percent of principal	28	3	6 1/2	1 7/8
Due Sept. 1983-August 1984	85 percent of principal	29	3	6 1/2	1 7/8
Mexico					
Agreement of August 27, 1983: 32/					
Rescheduling of public sector short-, medium- and long-term debt 33/ due August 23, 1982-December 31, 1984	100 percent of principal	18,800	4	8	1 7/8-1 3/4
Syndicated loan 34/	New financing	5,000	3	6	2 1/4-2 1/8
Settlement of interest in arrears on private sector's debt 35/	--	1,367	--	--	1-7/8
Agreement of April 1984:					
New loan	New financing	3,800	5 1/2	10	1 1/2-1 1/8
Agreement of March 29, 1985:					
Rescheduling of public medium- and long-term debt previously rescheduled					
Due in 1987	100 percent of principal	5,800	--	14 36/	(7/8 in 1985-86
Due from 1988 to 1990	100 percent of principal	17,800	--	14 36/	(1 1/8 in 1987-91 (1 1/4 in 1992-98
Rescheduling of 1983 syndicated loan 37/	100 percent of principal	5,000	5	10	1 1/2-1 1/8
Agreement of August 29, 1985: 38/					
Rescheduling of public medium- and long-term debt not previously rescheduled falling due from 1985 to 1990	100 percent of principal	20,100	1	14 36/	(7/8 in 1985-86 (1 1/8 in 1987-91 (1 1/4 in 1992-98
Deferment agreement of October 1, 1985	100 percent of principal	950	1/2		
First principal payment under the $5 billion agreement as amended March 29, 1985					
Agreement with Steering Committee of September 30, 1986, final agreement of April 1987					
Restructuring of previously restructured debt	100 percent of principal	43,700	7	20	13/16
Change in spread for 1983 and 1984 new money facilities 39/	--	8,600	5	10	13/16
1986-87 new money facility	New money	5,000	5	12	13/16
Cofinancing arrangement with World Bank 40/	New money	1,000	9	15	13/16
Growth contingency cofinancing with World Bank 40/	New money	500	7	12	13/16
Contingent investment support facility	New money	1,200	4	8	13/16
Morocco					
Agreement of February 1986					
Medium- and long-term debt due from September 9, 1983 to December 31, 1983	100 percent of principal)		3	7	1 3/4
Medium- and long-term debt due in 1984	90 percent of principal)	538	3	7	1 3/4
Rollover of short-term debt	Trade related credit outstanding as of August 24, 1983	610	--	--	--

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Morocco (con't)					
Agreement in principle of December 15, 1986:					
Rescheduling of medium- and long-term debt not previously rescheduled falling due from 1985-88	100 percent of principal	1,546	4	11	1 3/16
Rescheduling of principal payments due in 1987-88 under previous rescheduling agreement	100 percent of principal	178	4	4	1 3/4
Conversion of short-term trade credits (except letters of credit) into medium-term debt	Trade-related credit outstanding as of August 24, 1983	450	--	6	1 3/16
Consolidation of trade arrears due to banks into a trade credit maintenance facility	Arrears as of September 30, 1986	188	--	5 1/2	Original rates
Mozambique					
Agreement in principle of May 27, 1987					
Refinancing of trade-related and other short-term public sector debt	100 percent of principal outstanding on May 27, 1987	92	5	8	1 1/8
Restructuring of medium-term public sector debt	100 percent of principal outstanding on May 27, 1987	105	8	15	1 1/8 41/
Restructuring of all non-principal overdue amounts of the two above agreements	100 percent of arrears as of June 30, 1987	52	8	13	1 1/8 41/
Nicaragua					
Agreement of December 1980:					
Arrears on interest or due up to December 1980 42/	75 percent of arrears and amount due	90	--	5	)3/4-1 1/4, but)with deferred)interest pay-)ment provision)and recapture)clause 43/
Arrears on principal as of December 1979 43/	100 percent of arrears on principal	252	5	11	
Due after December 1979	100 percent of principal	240	5	12	
Agreement of December 1981: (debt of nationalized banks)					
Accumulated arrears	90 percent of interest and) principal)	192	5	10	)3/4-1 1/4, but)with deferred)interest pay-)ment provision)and recapture)clause 43/
Principal due after September 1981	100 percent of principal)		5	10	
Agreement of March 1982: (debt of nationalized enterprises and of private enterprises)					
Accumulated arrears	90 percent of interest and principal	)	--	10	)3/4 - 1 1/4, but)with deferred)interest pay-)ment provision)and recapture)clause 43/
Due after March 1982	100 percent of principal	) 100	5	10	...
Agreement of February 1984:					
Deferment of principal and interest due from July 1983 to June 1984 (previously rescheduled in 1980-82)	95-100 percent of principal	145	--	8 44/	1 1/4-1 3/4

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Niger					
Agreement of March 9, 1984:					
Rescheduling of medium-term debt:					
Due in October 1983-September 1984	90 percent of principal	12	3 1/2	7 1/2	Originally contracted rate + 2 percent
Due in October 1984-September 1985	90 percent of principal	15	3 1/2	7 1/2	Originally con tracted rate + 2 percent
Agreement of April 1986:					
Serial rescheduling of medium-term debt:					
Due October 1, 1985-December 31, 1986	90 percent of principal,)	10	4 1/2	8 1/2	)Originally con-
Due 1987	excluding previously rescheduled)	18	4	8 1/2	)tracted rate +
Due 1988	debt)	15	4	8 1/2	)2 percent
Nigeria					
Agreement of July 1983:					
Arrears as of end-March 1983	100 percent of arrears on letters of credit	1,350	5 1/2 months	3	1 1/2-1 3/8
Agreement of September 1983:					
Arrears as of end-July 1983	100 percent of arrears on letters of credit	585	3 1/2 months	2 5/6	1 1/2-1 3/8
Agreement in principle of November 1986:					
Rescheduling of medium- and long-term debt falling due from April 1, 1986 to December 31, 1987	100 percent of principal	1,725	3	10	1 1/4
Arrears as of Sept. 26, 1986	Letters of credit confirmed before September 26, 1986 and associated new interest	2,525	1	4	1 1/4
New medium-term loan 45/	New financing	320	3 45/	7 45/	1 5/16 45/
Panama					
Agreement of September 1983:					
New loan	New financing	278	3	6	2 1/4-2 1/8
Rollover of short-term credit lines	Principal	217	--	--	...
Agreement of October 1985:					
Public sector debt					
Due in 1985	Principal	225	3 1/2 46/	12	1 3/8
Due in 1986	Principal	354	3 1/2 46/	12	1 3/8
New loan	New financing	60	3	9	1 5/8-1 1/4
Rollover of short-term credit lines	Principal	217	--	--	...
Peru 47/					
Agreement of June 1978:					
Due during second half of 1978	Rollover of 100 percent of principal	186 48/	--	Due 1/3/79	...
Agreement of December 1978:					
Due in 1979	90 percent of principal)		2	6	1 7/8
Due in 1980	90 percent of principal)	200 48/	2	5	...
Due in Jan. 1979 as per June 1978 agreement	50 percent of amount) rolled over)		--	1	1 3/4
Agreement of January 1980: 49/					
Due in 1980	90 percent of principal	340 48/	2	5	1 1/4
Agreement of July 1983:					
Medium- and long-term maturities falling due between March 7, 1983 and March 7, 1984	100 percent	380	3	8	2 1/4
Bridge loan	--	200	...	...	...
New loan	New financing	450	3	8	2 1/4
Short-term credit lines outstanding as of March 7, 1983	100 percent of principal	2,000 50/	...	1	2 1/4
Agreement with Steering Committee February 1984: 51/					
Medium- and long-term maturities falling due between March 7, 1984 and June 30, 1985	100 percent	460	5	9	1 5/8-1 1/4
Short-term working capital outstanding on March 6, 1984	100 percent	965	5	9	1 5/8-1 1/4
Loan covering the undisbursed portion of the 1983 new loan	New financing	200	3	8	2 1/4

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Peru (con't)					
Short-term trade related credit lines committed as of March 6, 1984	100 percent	800	--	Rollover	5/8 + 1 1/2 percent acceptance commission
Philippines					
Agreement of May 20, 1985					
Rescheduling of public and publicly guaranteed debt:					
Due between October 17, 1983 and December 31, 1985	100 percent of principal	1,406	5 52/	10 52/	1 5/8
Due in 1986	100 percent of principal	653	5 52/	10 52/	1 5/8
Short-term debt		1,183	5	10	1 5/8
Rescheduling of private financial sector debt, medium- and long-term:					
Due between October 17, 1983 and December 31, 1985	100 percent of principal	10	5 52/	10 52/	1 5/8
Due in 1986	100 percent of principal	6	5 52/	10 52/	1 5/8
Short-term debt		1,594	4	4	Less than 2
Rescheduling of corporate debt, medium- and long-term:					
Due between October 17, 1983 and December 31, 1985	100 percent of principal	378	5	10	1 5/8
Due in 1986	100 percent of principal	207	5	10	1 5/8
Short-term debt		448	5	10	1 5/8
New medium-term loan	New money	925	5	9	1 3/4 - 1 3/8
Revolving short-term trade facility	Trade-related outstanding and central bank overdrafts as of October 17, 1983	2,974	Revolving per annum	...	1 1/4
Agreement in principle of March 27, 1987, final agreement of July 17, 1987:					
Rescheduling of public and publicly guaranteed debt:					
Due January 1, 1987-December 31, 1992	100 percent of principal	2,762	7 1/2	17	7/8
Due January 1, 1989-December 31, 1994 under 1985 restructuring agreement	100 percent of principal	3,963	7 1/2	17	7/8
Rescheduling of private financial sector debt:					
Due January 1, 1987-December 31, 1992	100 percent of principal	13	6	10	1 3/8
Due January 1, 1989-December 31, 1992 under 1985 restructuring agreement	100 percent of principal	1,172	6	10	1 3/8
Rescheduling of private corporate debt:					
Due January 1, 1987-December 31, 1992	100 percent of principal	653	6	10	1 3/8
Due January 1, 1990-December 31, 1992 under 1985 restructuring agreement	100 percent of principal	447	7 1/2	17	7/8
Extension of short-term trade related facility until June 30, 1991	100 percent rollover	2,965	4 1/2	5	3/4
Change in spread for 1985 new medium-term loan	--	925	unchanged	unchanged	7/8
Poland					
Agreement of April 1982: 53/					
Medium-term debt due March 26, 1981-December 1981	95 percent of principal	1,957	4	7	1 3/4
Agreement of November 1982: 54/					
Medium-term debt due in 1982, including arrears on unrescheduled maturities due in 1981	95 percent of principal	2,225	4	7 1/2	1 3/4-1 1/2
Agreement of November 1983: 55/					
Medium-term debt due in 1983	95 percent of principal	1,154	4 1/2	9	1 7/8
Agreement of July 1984: 56/					
Medium- and long-term debt due in 1984-1987	95 percent of principal	1,390	5	10	1 3/4

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Poland (con't)					
Agreement of September 1986:					
Restructuring of medium- and long-term debt included in April and November 1982 agreements					
due in 1986	95 percent of principal	915	5	5	1 3/4
due in 1987	80 percent of principal	1,055	5	5	1 3/4
Romania					
Agreement of December 7, 1982:					
Arrears on the 1981 debt obligations	80 percent of such debt obligations)		3	6 1/2	1 3/4
Due in 1982 on all debts (including short-term)	80 percent of principal)	1,598	3	6 1/2	1 3/4
Agreement of June 20, 1983:					
Medium- and long-term due in 1983	)10 percent of principal	81	1 1/2	1 1/2	1 3/4
	)60 percent of principal	486	3 1/2	6 1/2	1 3/4
Agreement of September 1986:					
Maturities on loans already rescheduled in 1982-83 falling due in					
1986	100 percent of principal	350	3	4 1/2	1 3/8
1987	85 percent of principal	450	4	5 1/2	1 3/8
Senegal					
Agreement of February 1984:					
Due between May 1, 1981 and June 30, 1982 (including arrears)	100 percent of principal)	78	3	7	2
Due between July 1, 1982 and June 30, 1984	100 percent of principal)				
Agreement of May 1985					
Due between July 1, 1984 and June 30, 1986	80 percent of principal 57/	20	3	7	2
Sierra Leone					
Agreement of January 1984:					
Principal arrears	90 percent of principal	25	2	7	1 3/4
South Africa					
First interim debt arrangement of March 25, 1986					
Short- and medium-term debt subject to September 1985 standstill originally due August 28, 1985 to June 30, 1987	About 95 percent of principal	9,800	1 1/4	1 1/4	)Margin applicable)in August 1985)plus an additional spread)of up to 1)percentage point
Second interim debt arrangement of March 24, 1987					
Short- and medium-term debt subject to September 1985 standstill due June 30, 1987 to June 30, 1990	About 87 percent of principal	10,900	3	3	
Sudan					
Agreement of December 1981:					
Arrears on principal as of end-1979	100 percent)	383	3	7	1 3/4
Arrears on interest due:	)				
Jan.-June 1980	60 percent)				
July 1980-April 1982	100 percent)	115	1	3	1 3/4
Excess balances on Nostro accounts over end-1979 level	40 percent)				
Modification of December 1981 agreement (March 1982)					
Arrears of interest as of end-1979					
Arrears on interest due January.-June 1980	)40 percent)	55	5 months	9 months	1 3/4
Excess balance on Nostro accounts over end-1979 level	)60 percent)				
Modification of December 1981 agreement (April 1983)					
Principal and interest	100 percent	790	2	6	1 3/4
Modification of December 1981 agreement (April 1984)					
Principal and interest	100 percent	838	1	5	1 3/4

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Sudan (con't)					
Modification of December 1981 agreement (October 1985) 58/					
Rescheduling of					
Interest accrued as a result of the 1983 and 1984 modifications	100 percent	)920	3 59/	7 1/2 60/	1 3/4
All other outstanding public debt	100 percent	)	3	7 1/2	1 1/4 61/
Togo					
Agreement of March 1980:					
Arrears as of end-1979	100 percent of arrears				
Interest		8	Settlement to be made in 1980 in 3 equal installments		
Principal		17	6 months	1 1/2	Original rates maintained. However, spreads on Euroloan reduced to 1 1/2
Due in 1980 on a number of specific loans	100 percent of principal	44	1	3 1/2	Original rates maintained
Agreement of October 1983:					
Arrears as of end of 1982	100 percent of arrears	58	--	7 1/4	2
Due in 1983 and 1984 on medium- and long-term public and publicly guaranteed loans	100 percent of principal	26	--	7 1/4	2
Turkey					
Eurocurrency loan of June 1979 62/	New financing (net)	407	3	7	1 3/4
Agreement of June 1979:					
Bankers' credits	100 percent of principal	429 63/	3	7	1 3/4
Agreement of August 1979:					
Convertible Turkish lira deposits 64	100 percent of principal	2,269 64/	3	7	1 3/4
Agreement of August 1981:					
Third-party reimbursement claims	100 percent of principal	100	--	3	1 1/2
Agreement of March 1982:					
Improve the maturity profile of the August 1979 rescheduling agreement	100 percent of principal	... 65/	2 66/	3 66/	1 3/4
Uruguay					
Agreement of July 29, 1983:					
New medium-term loan	New financing	230	2	6	2 1/4-2 1/8
Short-term nontrade related credits	90 percent of principal	359	2	6	2 1/4-2 1/8
Medium-term maturities falling due in 1983	90 percent of principal	105	2	6	2 1/4-2 1/8
Medium-term maturities falling due in 1984	90 percent of principal	111	2	6	2 1/4-2 1/8
Agreement of July 1986:					
Maturities falling due in 1985-1989 and not previously restructured	100 percent of principal	844	3	12	1 3/8
Previously restructured maturities falling due in 1985-1989	100 percent of principal	621	3	12	1 5/8
Medium-term loan granted in 1983	100 percent of principal	230	3	12	1 5/8
Bearer Treasury bonds	100 percent of principal	263	3	12	1 3/8
Venezuela					
Agreement with Steering Committee of September 1984; final agreement of February 1986: 67/					
Rescheduling of short, medium- and long-term debt falling due during 1983-88	Principal	21,037	--	12 1/2 68/	1 1/8
Agreement with Steering Committee of February 27, 1987:					
Modification of October 1986 rescheduling agreement	100 percent of principal	21,088	--	13	7/8

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

Country, Date of Agreement, and Type of Debt Rescheduled	Basis	Amount Provided	Grace Period	Maturity	Interest Rate
		(US$ millions)	(In years, unless otherwise noted)		(In percent spread over LIBOR-US prime)
Yugoslavia					
Agreement of September 1983:					
Refinancing of:					
Medium-term loans due in 1983	100 percent of principal	950	3	6	1 7/8-1 3/4
Short-term debt	Rolled over (through January 1985)				
Nontrade-related credits		200	2	2	1 3/8-1 1/4
Revolving trade facility		600	2	2	1 3/8-1 1/4
New loan	New financing	600	3	6	1 7/8-1 3/4
Agreement of May 16, 1984: 69/					
Refinancing of:					
Medium- and long-term maturities falling due in 1984	100 percent of principal	1,250	4	7	1 5/8-1 1/2 70/
Agreement of December 1985:					
Refinancing of medium- and long-term debt falling					
Due in 1985-86	100 percent of principal	2,300	4	10 1/2	1 1/8
Due in 1987-88	100 percent of principal	1,300	3	9 1/2	1 1/8
Zaire 71/					
Agreement of April 1980:					
Arrears on principal as of end of 1979	76 percent of principal	287	5	10	1 7/8 for first 5 years, 2 thereafter
Principal payments due after end of 1979	100 percent of principal	115	5	10	1 7/8 for first 5 years, 2 thereafter
Deferment agreement of January 1983: 72/	Principal	58	...	...	Originally contracted rate
Deferment agreement of June 1984: 73/	Principal	64	...	...	Originally contracted rate
Deferment agreement of May 1985: 74/	Principal	61	...	...	Originally contracted rate
Deferment agreement of May 1986 75/	Principal	65	...	...	Originally contracted rate
Deferment agreement of May 1987 76/	Principal	61	...	...	Originally contracted rate
Zambia					
Agreement in principle with Steering Committee of December 1984:					
Refinancing of medium- and long-term public and publicly guaranteed unsecured debt in arrears as of					
February 28, 1983	100 percent of principal	16	--	1 77/	2 1/4
Due March 1, 1983 to February 29, 1984	100 percent of principal	26	1	4	2 1/4
Due March 1, 1984 to February 28, 1985	100 percent of principal	21	2	5	2 1/4
Due March 1, 1985 to December 31, 1985 78/	90 percent of principal	11	3	6	2 1/4
Memorandum item:					
Non-Fund member					
Cuba					
Agreement of December 30, 1983:					
Rescheduling of medium-term debt due between September 1, 1982 and December 31, 1984	100 percent of principal	128	2	5 1/2	2 1/4
Rollover of short-term credit 79/	--	490	--	--	1 1/4
Agreement with Steering Committee (July 1985)					
Rescheduling of medium-term debt due in 1985	100 percent of principal	85	6	10	1 1/2 80/
Rollover of short-term credit 81/	--	373	--	--	1 1/8 82/

Sources: Restructuring agreements, press reports; and Fund staff calculations.

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

1/ An agreement in principle to reschedule arrears at the end of 1982 and public debt falling due in 1983 was reached in January 1983, but the new government requested a renegotiation of this agreement.
2/ The cumulative loan disbursements could never exceed $1.1 billion per annum.
3/ The agreement also provided that the $750 million outstanding under the 1982 bridge loan would be repaid in early 1985 on the date of the first borrowing under the new loan; Argentina would pay at least $750 million before the end of 1984 to reduce interest arrears on Argentine public sector indebtedness; interest arrears on public sector indebtedness would be brought current during the first half of 1985; and that foreign exchange would be made available to private sector borrowers so that interest on Argentine private sector indebtedness can be brought current during the first half of 1985.
4/ For public debt pre-December 9, 1982 debt originally falling due prior to January 1, 1986 that has been previously restructured and debt originally falling due after December 31, 1985 that has not been previously restructured. Excluded is indebtedness under the 1983 and 1985 term credit agreements and the 1985 trade credit and deposit faiclity which is rescheduled on different terms. For private sector borrowers the restructuring of principal maturities of pre-December 9, 1982 indebtedness maturing subsequent to December 31, 1985, including previously restructured maturities.
5/ Bolivia made payments of 10 percent of the amount to be consolidated until early September 1982. Since then, no more payments were made and the refinancing agreement on the April 1982-March 1983 maturities did not take effect.
6/ The agreement would be finalized, subject to: payment of interest arrears according to the schedule agreed on in March; the payment of the existing arrears on the 10 percent of principal due on the basis of the 1981 agreement; and the reaching of an agreement with the Fund. Since Bolivia was unable to make the final payment of US$30 million in interest arrears by September 1983 as agreed, an interim agreement was reached with the banks in which Bolivia made a good faith deposit of $3 million and agreed to repay $30 million in monthly installments of $7.5 million each between October 1983 and January 1984. In return the banks agreed to extend the standstill agreement on repayments and regular maturities falling due after April 1, 1983 without penalty payments until January 31, 1984. After the expiration of the interim plan, Bolivia made two more payments of $7.5 million each in February and March 1984. On May 30, 1984, the Bolivian Government announced a temporary suspension of all foreign debt payment to private banks. On November 2, 1984 the Government renewed Bolivia's request for a contractual arrangement to postpone all debt service to banks until the end of 1985.
7/ On arrears as of June 5, 1983. $28 million of arrears on interest payments were paid by April 5, 1983. The remainder was divided into five monthly payments.
8/ First principal payment due 30 months after rescheduling.
9/ The spreads over LIBOR/U.S. prime rate are 2 1/8 percent/1 7/8 percent for amounts on deposit with the Central Bank or--as generally acceptable maxima--for loans to public sector borrowers with official guarantee, Petrobras, and Companhia Vale do Rico Doce (CVRD); 2 1/4 percent/2 percent as the generally acceptable maxima for public sector borrowers without official guarantee, private sector borrowers with Development Bank guarantee and for commercial and investment banks under Resolution 63; 2 1/2 percent/2 1/4 percent as generally acceptable maxima for private sector borrowers.
10/ The Central Bank stands ready to borrow the committed funds at either 2 1/8 percent over LIBOR or 1 7/8 percent over U.S. prime rate. For loans to other borrowers, the spreads agreed must be acceptable to the Central Bank, which indicated the following maxima for spreads over LIBOR to be generally acceptable (spreads over U.S. prime rate in parentheses): public sector borrowers with official guarantee as well as Petrobras and CVRD--2 1/8 percent (1 7/8 percent); public sector borrowers without the Republic's guarantee, private sector borrowers with Development Bank guarantee, and Resolution 63 loans to commercial and investment banks--2.25 percent (2.0 percent); private sector borrowers, including multinationals--2 1/2 percent (2 1/2 percent). Brazil is also prepared to pay a 0.5 percent commitment fee on undisbursed commitments, payable quarterly in arrears, and a 1.5 percent flat facility fee on amounts disbursed, payable at the time of disbursement.
11/ Latest estimate of amount subject to rescheduling. Total may be lower as some of Brazil's debt to banks and suppliers may be eligible for rescheduling through Paris Club. A definitive accounting of Paris Club rescheduling will be available upon termination of bilateral agreements. In addition, trade financing was maintained at approximately $9.8 billion and interbank exposure was restored to $6 billion.
12/ These rates will also apply to the outstanding parts of the 1983 and 1984 agreements.
13/ $150 million of the later maturities carries a guarantee from the World Bank for which it will charge commercial banks a fee ranging from 1 1/8 percent to 1 1/4 percent.
14/ There is also a facility fee of 1/8 percent per year.
15/ Interest periods under all agreements will be converted from the existing periods to periods of 12 months.
16/ Refers to those certificates which were issued by the Central Bank against existing arrears of the private sector (mainly with regard to imports) and which were held by the foreign commercial banks.
17/ The banks agreed to provide Costa Rica with a revolving trade related credit facility equivalent to 50 percent of interest payments actually paid in 1983, which were either in arrears or had accrued in 1983.
18/ 1 5/8 percent over "domestic reference rate," equal to: U.S. dollar C/D rate adjusted to reserves and insurance; or a comparable yield for loans denominated in other currencies.
19/ Payments of 100 percent of the maturities falling due were deferred until December 31, 1984, when 90 percent of the amount was refinanced.
20/ Maximum amount; actual amount of financing may be lower, depending, inter alia, on oil prices. Spread calculated over one-month Libor.
21/ In June 1982, banks indicated their intention to negotiate a refinancing agreement to convert the principal repayment into a longer-term loan prior to January 31, 1983, conditional upon successful completion of negotiations for an upper credit tranche program with the Fund. As negotiations with the Fund have not yet been completed, further deferments under the same conditions were agreed in July 1983 and January 1984.
22/ Agreement in principle was tentatively reached in early 1983.
23/ Original proposals were for repayments to start in March 1984, for the maturity due in 1983 and in March 1985, for the maturities due in 1984, but no agreement has yet been reached.
24/ Grace period and maturity were measured from the date of the first disbursement of the refinancing loan.
25/ The rescheduled amounts were rolled over on a short-term basis and were converted into medium-term loans on April 1, 1980 and on April 1, 1981 for the 1979/80 and 1980/81 reschedulings, respectively.
26/ It was also agreed to consolidate all debt falling due April 1987 to March 1989; an interest rate of 2 1/4 over LIBOR will apply to the consolidated debt.
27/ The repayment schedule is 4 quarterly payments of $1 million starting October 15, 1988 with the remainder to be paid in 25 equal quarterly installments.
28/ Also, the bank that was owed most of the arrears informally agreed to allow Liberia to repay the arrears in 12 monthly installments.
29/ Includes about $50 million of arrears on overdrafts rescheduled on similar terms in late 1980.
30/ The agreement is subject to Madagascar being current on interest payments. The agreement also envisages the provision of a revolving trade facility, for an amount equivalent to the principal payments falling due in 1983 ($12 million) or a one-year grace period on that amount.
31/ Based on outstanding debt, including short-term debt, as of December 31, 1982, and including payments arrears on both short- and medium-term debt. Includes a special agreement for the rescheduling of Air Madagascar debt, secured by aircrafts.
32/ Agreement took effect with disbursement of a new loan in March 1983.

Table 29 (continued). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

33/ For the purpose of the rescheduling, Mexico's public sector debt (short-, medium-, and long-term) excludes: loans made, guaranteed, insured, or subsidized by official agencies in the creditor countries; publicly issued bonds, private placements (including Japanese yen-denominated registered private placements) and floating rate certificates of deposit and notes (including floating rate notes); debt to official multilateral entities; forward exchange and precious metal contracts; spot and lease obligations in respect of movable property, short-term import and export related trade credits; interbank obligations (including placements) of the foreign agencies and branches of Mexican banks, excluding guarantees on interbank placements; financing secured by legally recognized security interest in ships, aircraft and drilling rigs; and the Central Bank's obligations arising from the arrangements to liquidate interest payments in arrears.
34/ The $5 billion loan was raised in the form of a medium-term international syndicated credit in which banks participated on the basis of their pro rata exposure to Mexico as of August 23, 1982. The loan document included a specific reference to a written explanation and confirmation from the Fund Managing Director with respect to $2-2.5 billion in financial assistance to be obtained from official creditors (other than the Fund), a requirement to provide information about the implementation of the financial program, a request on the part of the lending syndicate not to object to the final restructuring principles of the contemplated rescheduling operation, the customary cross-default clause, a specification of events of defaults (including the failure of Mexico to comply with the performance criteria agreed with the Fund in connection with the three-year extended arrangement, and nonmembership), and the implementation of the proposed mechanism to eliminate the interest arrears on the private sector debt. In addition, interbank exposure was restored and would be maintained through the end of 1986 at $5.2 billion.
35/ Specifically, Mexican private borrowers owing interest on foreign bank debts payable in foreign currency and outstanding prior to September 1, 1982 could use the procedures proposed by the Mexican authorities to settle interest payments due in the period from August 1, 1982 to January 31, 1983. Settlement had to be made by depositing the local currency equivalent of the amount of interest due in foreign currency, at the controlled exchange rate of the date at which the deposit was constituted. Special foreign currency deposits were being opened by the foreign lenders with the Bank of Mexico, and the amounts of interest owed were being credited to these accounts. Ten percent of the outstanding balance in these accounts was paid to creditors on January 31, 1983, while the remainder had to be settled subject to the availability of foreign exchange. As of March 7, 1984, all outstanding arrears were eliminated.
36/ Maturities shown relate to the date of the agreement in principle.
37/ $1.2 billion of the $5 billion syndicated loan was to be prepaid in 1985 and, the balance restructured to match the repayment schedule on the 1984 $3.8 billion new money loan. However, only $250 million was prepaid in 1985 and the authorities have agreed with the banks to the postponement of the remaining $950 million.
38/ There are no rescheduling fees and, under certain conditions, banks are allowed to switch their loans from dollars to home country currencies. Rescheduling of previously rescheduled debt falling due from 1987 to 1990 is conditional upon the achievement of Mexico's own economic targets to be monitored on the basis of enhanced Article IV consultations with the Fund beginning in 1986. Maturities shown relate to the date of the agreement in principle.
39/ Including the restructuring of the $950 million prepayment which had been deferred since October 1, 1985.
40/ These loans have an associated guarantee given by the World Bank in the later maturities equivalent to 50 percent of the nominal amount disbursed.
41/ Will increase to 1 1/4 percentage points at the end of the grace period.
42/ On short- and medium-term debt. Banks agreed to recalculate the interest due but unpaid at a spread of 1/2 percentage point above the actual LIBOR during the relevant period, rather than at the higher spreads specified in the original contracts.
43/ All four categories of debt are subject to interest accrual at a spread of 1 percent above LIBOR between December 15, 1980 and December 14, 1983; of 1 1/4 percent between December 15, 1983 and December 14, 1986; of 1 1/2 percent between December 15, 1986 and December 14, 1990; and of 1 3/4 percent between December 15, 1990 and December 14, 1992. However, actual payments of interest can be limited to 7 percent a year for the agreement of 1980, and to 6 percent for the agreements of 1981 and 1982. Any excess of accrued interest will be added to a deferred interest payment pool which will be repaid whenever the accrued interest rate payments are less than 7 percent per annum, or, if this does not exhaust the pool by December 15, 1985, the balance will be amortized between 1986 and 1990 with 10 percent due in each of 1986 and 1987, and the rest during the remaining three years. The agreement also contains an interest recapture clause. If Nicaragua fulfills all the terms of the contract, the interest rate spread would be reduced by 1/8 percentage point for every US$20 million of principal repaid after 1985 for up to 1 percentage point.
44/ Backloaded in the last years.
45/ Initial maturity of one year and a spread of 1 1/4 percent; will be automatically converted to a medium-term loan if certain conditions are fulfilled.
46/ At the end of the grace period the repayment schedule provides for repayments of 1 percent of the total per quarter during the first year, 1 1/2 percent per quarter during the second year and equal quarterly installments of the remainder thereafter.
47/ All rescheduling agreements cover only public sector obligations. Bank loans with creditor country guarantees were included in the Paris Club agreement, rather than the bank reschedulings.
48/ Under the 1978 and 1980 bank reschedulings, amounts were initially rolled over on a short-term basis to be consolidated into a medium-term loan at a specified date early in the following year.
49/ In January 1980, Peru prepaid the 1979 bank rescheduling and the terms of the 1980 rescheduling were renegotiated.
50/ US$1.2 billion of working capital and $800 million of trade related lines.
51/ Signing of the agreement has been delayed inter alia by Peru's nonpayment of interest since July 1984.
52/ Ten years from the earlier of signing date or December 31, 1984; with 5 years of grace.
53/ The agreement, which covers maturities due during March 26-December 31, 1981, was effective May 10, 1982. Short-term facilities and interbank deposits were specifically excluded.
54/ A six-month trade credit, revolving up to three years was extended under separate agreement; the amount of the credit was equivalent to 50 percent of the US$1.1 billion in interest due.
55/ A six-month trade credit, revolving up to three years, was extended under separate agreement.
56/ The short-term revolving credit facility of $335 million that was provided under the 1982 agreement was renewed for a period of up to five years. In addition, a new six-month credit facility, revolving up to three to four years, was provided in an amount equivalent to 4 1/2 percent of the banks' base exposure.
57/ The remaining 20 percent is to be paid in eight equal quarterly installments starting in 1985.
58/ The new agreement includes the option for the debtor to redenominate the debt in Swiss francs.
59/ From April 1985.
60/ Repayments are in 17 quarterly installments beginning April 1988.
61/ Interest above $36 million per year will be capitalized.
62/ The disbursement was to be based on letter of credit financing for imports. Other conditions for the first disbursement (50 percent) included making the first purchase under IMF stand-by arrangement and the signing of the agreement on convertible Turkish lira deposits. For the second and third disbursements (25 percent each), other conditions included making the purchases under the IMF stand-by arrangement scheduled for November 1979 and March 1980, and the implementation of programs for third-party reimbursement claims and arrears on nonguaranteed debts.
63/ All previously rolled over.
64/ Holders were allowed to switch currency of denomination, with liability being switched from commercial banks to the Central Bank. The amount includes $2 billion rolled over prior to June 30, 1979; and $0.2 billion due in second half of 1979.

Table 29 (concluded). Terms and Conditions of Bank Debt Restructurings and Bank Financial Packages, 1978-June 1987

65/ The amount rescheduled is equivalent to the sum of obligations rescheduled in June and August 1979, including a new syndicated credit extended at that time.
66/ The years shown represent the extension to the grace period and maturity granted under the original rescheduling arrangement.
67/ In March 1983, with the endorsement of the Steering Committee, Venezuela declared a deferral on principal payments of external public sector debt owed to foreign commercial banks. The amount of short-term debt involved was about US$8.5 billion. The deferral was extended until October 1, 1983. It was twice further extended, first until January 31, 1984, and then until April 31, 1984. The rescheduling agreement is conditional on a solution to the arrears on the private sector debt.
68/ Maturity shown relates to the date of the agreement in principle. Payments are to be made in equal amounts; however, Venezuela will make an initial payment of $750 million during the second quarter and further debt service payment for 1985 will total US$5.15 billion with regular payment not to exceed $5 billion per year thereafter.
69/ Conditional upon refinancing of $700 million in officially guaranteed loans.
70/ The agreement provides for a 1 1/4 percent reduction of interest on the debt rescheduled in 1983 and 1984.
71/ Bank debt refinancing agreement covers only syndicated loans (and other floating rate loans) without creditor country guarantee.
72/ Under this agreement Zaire would make monthly payments of $5 million to the London Club banks. This amount is to be increased to $6 million if U.S. producer prices for copper rise above the threshold price of $.75 per pound.
73/ Under this agreement Zaire would make monthly payments of US$2 million in the first semester of 1984, of $5 million in the third quarter, of $7 million in the fourth quarter, and of $4 million in the first quarter of 1985.
74/ Under this agreement Zaire would make monthly payments to the London Club banks amounting to US$4.5 million for the period May 1985-December 1985, increasing to US$6 million for the first four months of 1986. The agreement specifies that monthly payments are to be revised by US$0.5 million if the copper price (as quoted for London in IFS) exceeds US$0.66 per pound, by US$1.0 million if this price exceeds US$0.70 million and by US$1.5 million if it exceeds US$0.74 million.
75/ Under this agreement Zaire would make monthly payments amounting to $3.5 million for the period May 1986-April 1987.
76/ There will be monthly payments of $3 million for the May 1987-May 1988 period, except for July 1987 when the due payment is $3.5 million.
77/ Arrears as of February 28, 1983 are to be paid in 12 equal monthly installments starting from January 15, 1985.
78/ The remaining 10 percent amounting to $1.2 million are to be paid off in two equal installments in June and December 1985.
79/ All lines of credit with Banco Nacional de Cuba will remain as they were at February 28, 1983 until September 30, 1984.
80/ A refinancing fee of 3/8 percent also applies.
81/ These credit lines are to be renewed for the year between September 30, 1985-September 30, 1986.
82/ A facility fee of 1/8 percent also applies.

Table 30. Developments in International Bond Markets, 1981-First Half 1987

	1981	1982	1983	1984	1985	1986	1st Half of 1986	1st Half of 1987
					(In billions of U.S. dollars)			
International bond issues								
By category of borrower								
Industrial countries	39	60	60	91	136	200	95	86
Developing countries	4	5	3	5	10	5	3	2
Other (including international organizations)	8	11	14	13	20	20	11	11
Total international bonds	52	76	77	110	166	225	109	102
Amortization	16	18	18	20	35	64	28	31
Net issues 1/	36	58	59	90	131	161	81	71
Bond purchases by banks	7	9	13	28	55	76	32	...
Net issues less Bond purchases by banks	29	49	46	62	76	85	49	...
Of which:								
Industrial countries	22	39	36	51	62	72	42	...
Developing countries	2	3	2	3	6	2	1	...
					(In percent)			
By currency of denomination								
U.S. dollar	63	64	57	64	61	55	52	33
Deutsche mark	5	7	9	6	7	8	9	9
Swiss franc	16	15	18	12	9	10	10	10
Japanese yen	6	5	5	6	8	10	10	19
Other	10	9	11	12	15	17	19	29
					(In percent per annum)			
Interest rate developments								
Eurodollar deposits 2/	13.3	9.5	10.1	9.0	8.0	6.3	7.0	6.6 4/
Dollar Eurobonds 3/	14.9	13.4	12.5	12.1	10.6	8.6	8.9	8.4 4/
Deutsche mark international bonds 3/	9.2	8.2	8.4	7.4	6.9	6.4	6.8	6.6 4/

Sources: Organization for Economic Cooperation and Development, Financial Statistics Monthly and Financial Market Trends; International Monetary Fund, International Financial Statistics; and Fund staff estimates.

1/ Gross issues less scheduled repayments and early redemption.
2/ Three-month deposits.
3/ Bonds with remaining maturity of 7-15 years.
4/ January-May average.

Table 31. Borrowing on International Markets by Major Instruments, 1983-First Quarter 1987

(In percent)

	1983	1984	1985	1986	1st Quarter 1986	1st Quarter 1987
Fixed rate bonds	64	52	55	65	64	83
Floating rate notes 1/	25	34	35	22	16	5
Equity-related bonds	10	10	7	10	9	9
Other bonds 2/	--	4	3	3	11	3
Total:	100	100	100	100	100	100

Note: All data excluding merger-related stand-bys and renegotiations.

Source: Organization for Economic Cooperation and Development, Financial Market Trends.

1/ Including medium-term floating rate certificates of deposit.

2/ Zero coupon bonds, deep discount bonds, special placements, and bond offerings not included elsewhere.

Table 32. Gross International Bond Issues and Placements by Groups of Borrowers, 1982-First Half 1987 1/

(In millions of U.S. dollars)

	1982	1983	1984	1985	1986	1st half of 1986	1st half of 1987
Foreign bonds							
Industrial countries	16,854	18,693	18,299	19,627	28,924	13,075	12,608
Developing countries	726	894	1,618	2,008	2,057	1,548	421
International organizations	7,461	7,269	7,580	9,114	7,380	3,967	2,144
Other	158	194	303	277	80	12	125
Total foreign bonds	25,199	27,050	27,800	31,025	38,441	18,601	15,297
Eurobonds							
Industrial countries	42,816	41,015	73,145	116,228	170,877	82,230	75,962
Developing countries	3,970	2,382	3,646	8,329	3,417	1,729	1,725
International organizations	3,280	6,074	4,218	8,913	10,489	5,167	6,704
Other	264	627	709	1,961	2,172	1,645	1,886
Total Eurobonds	50,330	50,098	81,718	135,431	186,952	90,771	86,277
International bonds							
Industrial countries	59,670	59,708	91,444	135,855	199,801	95,305	88,570
Developing countries	4,696	3,276	5,264	10,337	5,473	3,277	2,146
International organizations	10,741	13,343	11,798	18,027	17,869	9,134	8,847
Other	422	821	1,012	2,238	2,252	1,657	2,011
Total international bonds	75,529	77,148	109,518	166,457	225,393	109,373	101,574

Sources: Organization for Economic Cooperation and Development, Financial Statistics Monthly.

1/ The country classifications are those used by the Fund. Excludes special issues by development institutions placed directly with governments or central banks and, from October 1984, issues specifically targeted to foreigners.

Table 33. Early Repayments of International Bonds, 1984-First Quarter 1987
(In billions of U.S. dollars)

	1984	1985	1986	1st Quarter 1986	1st Quarter 1987
By currency of denomination					
U.S. dollar	2.1	17.3	34.5	9.1	7.3
Deutsche mark	0.2	0.5	2.3	0.2	0.6
Swiss franc	0.4	0.3	1.5	0.1	0.6
Japanese yen	--	0.3	1.6	--	0.8
Pound sterling	0.4	0.1	0.2	--	--
Other	0.1	0.2	1.0	0.2	0.4
Total	3.2	18.7	41.1	9.6	9.7
By type of security					
Fund rate bonds	2.1	6.3	18.0	2.3	4.3
Floating rate notes	0.7	11.3	19.7	6.4	4.3
Convertibles	0.4	0.5	1.8	0.3	0.5
Floating rate certificates of deposit	--	0.6	1.6	0.6	0.6
Total	3.2	18.7	41.1	9.6	9.7
By issuer					
Australia	--	0.1	1.4	0.2	0.6
Canada	--	0.7	2.5	0.4	0.5
Denmark	--	1.0	1.8	0.3	0.3
France	0.2	4.0	6.7	2.1	1.8
Italy	0.1	--	2.0	0.9	0.2
Japan	0.3	1.1	3.1	0.8	1.0
Sweden	0.4	3.4	4.0	2.2	0.3
United Kingdom	0.3	0.8	2.5	0.4	0.4
United States	1.4	3.4	6.6	1.5	1.4
International organizations	0.0	2.3	3.6	0.1	0.4
Other	0.5	1.9	6.9	0.7	2.8
Total	3.2	18.7	41.1	9.6	9.7

Source: Organization for Economic Cooperation and Development, Financial Market Trends.

Table 34. Market for Fixed Rate Bonds, 1983-First Quarter 1987

(In billions of U.S. dollars)

	1983	1984	1985	1986	1st Quarter 1986	1st Quarter 1987
Borrowers, total	49.4	58.4	92.7	147.2	34.4	48.6
Industrial countries	37.0	45.9	74.9	129.3	32.5	42.6
Of which:						
Australia	2.1	2.5	5.0	5.8	2.3	1.6
Austria	1.3	1.7	1.9	3.0	1.0	1.6
Canada	6.2	5.2	7.3	13.2	3.8	2.4
Denmark	0.6	2.1	2.2	7.4	0.3	2.7
France	3.2	2.8	4.7	9.2	1.9	3.4
Germany, Fed. Rep. of	1.8	0.7	1.7	7.4	0.9	4.6
Italy	0.9	0.2	0.8	2.3	0.6	0.6
Japan	6.1	6.5	11.3	19.4	3.2	6.8
Netherlands	0.9	1.0	1.3	2.8	1.0	1.2
New Zealand	0.5	1.4	1.4	2.9	0.6	0.9
Norway	0.6	0.7	1.4	4.3	0.5	2.6
Sweden	1.6	2.1	3.8	5.7	2.5	1.8
United Kingdom	1.7	1.1	2.2	5.7	1.4	3.2
United States	5.9	14.6	26.7	29.7	9.5	5.7
Developing countries	1.1	1.3	3.2	2.7	0.9	0.6
Other, including international organizations	11.3	11.1	14.6	15.2	4.8	5.4
Currency distribution, total						
U.S. dollar	21.4	26.9	43.4	68.1	17.9	14.3
Japanese yen	4.1	6.0	11.8	22.5	6.9	8.4
Swiss franc	9.8	8.7	10.3	16.5	4.5	4.6
Deutsche mark	6.3	5.8	6.6	11.6	2.5	6.6
ECU	2.1	2.5	5.9	6.1	1.0	3.4
Pound sterling	2.2	3.4	3.1	4.9	1.7	4.4
Australian dollar	0.2	6.0	3.0	3.0	1.1	2.4
Canadian dollar	1.1	2.2	2.8	5.2	0.8	2.1
Netherlands guilder	1.6	1.8	1.6	2.6	0.6	0.7
Other	0.6	0.8	4.2	6.7	1.2	1.7

Source: Organization for Economic Cooperation and Development, Financial Market Trends.

Table 35. Market for Floating Rate Issues, 1983-First Quarter 1987

(In billions of U.S. dollars)

	1983	1984	1985	1986	1st Quarter 1986	1st Quarter 1987
Borrowers, total	19.5	58.1	58.4	50.7	8.9	3.0
Industrial countries	15.6	34.6	48.1	47.2	7.6	2.4
Of which:						
Belgium	0.9	1.6	1.8	1.6	0.5	--
Canada	0.3	0.8	2.1	3.0	0.2	--
Denmark	1.8	1.7	0.7	1.2	--	--
France	4.1	5.4	6.4	4.0	0.6	--
Italy	0.5	3.5	4.2	2.0	0.4	--
Japan	2.5	2.9	1.9	2.0	0.1	0.3
Sweden	2.6	4.1	2.2	0.1	--	--
United Kingdom	0.2	3.7	12.1	12.4	1.8	0.3
United States	0.3	5.5	10.5	10.7	2.3	1.3
Developing countries	1.8	3.3	7.0	2.0	0.7	0.1
Other, including international organizations	2.0	0.3	3.3	1.5	0.6	0.5
Currency distribution, total	19.5	38.1	58.4	50.7	8.9	3.0
U.S. dollar	18.5	35.1	49.9	40.9	6.0	2.2
Pound sterling	0.7	2.0	3.3	5.5	1.4	0.2
Deutsche mark	--	--	3.2	1.6	0.6	0.2
ECU	--	0.5	1.1	0.8	0.5	--
Other	0.3	0.6	0.9	1.9	0.4	0.4

Sources: Organization for Economic Cooperation and Development, Financial Market Trends.

Table 36. Market for Equity-Related Bonds, 1983-First Quarter 1987

(In billions of U.S. dollars)

	1983	1984	1985	1986	1st Quarter 1986	1st Quarter 1987
Borrowers, total	8.0	10.9	11.5	22.3	4.6	5.1
Japan	4.9	7.6	6.8	11.8	2.3	2.0
United States	1.0	1.9	2.2	2.9	0.6	1.0
United Kingdom	0.1	0.3	0.7	1.3	--	0.7
Germany, Fed. Rep. of	0.7	0.3	1.0	1.7	0.7	--
Switzerland	0.6	0.2	0.2	0.7	0.4	0.3
Other OECD countries	0.7	0.6	0.6	3.9	0.6	1.1
Currency distribution, total	8.0	10.9	11.5	22.3	4.6	2.3
U.S. dollar	3.9	5.5	5.3	11.7	2.7	1.4
Swiss franc	3.6	4.2	4.1	6.7	1.0	0.6
Deutsche mark	0.4	0.9	1.2	2.8	0.8	0.8
Other	0.1	0.3	0.8	1.1	0.1	5.1

Source: Organization for Economic Cooperation and Development, Financial Market Trends.

Table 37. Lending Activities of Multilateral Development Banks, 1981-86 1/

(In millions of U.S. dollars; and in percent)

	1981	1982	1983	1984	1985	1986	Shares in 1986
To all members							
Commitments, total	17,219	17,226	20,612	19,169	22,393	23,673	100.0
Change from previous year	(4.4)	(0.1)	(19.7)	(-7.0)	(16.8)	(5.7)	
African Development Bank	635	766	899	879	1,154	1,640	6.9
Asian Development Bank	1,678	1,684	1,893	2,234	1,908	2,001	8.5
Inter-American Development Bank	2,245	2,276	2,776	3,315	2,889	2,901	12.3
World Bank	12,661	12,500	15,044	12,741	16,442	17,131	72.3
Gross disbursements, total	9,697	11,832	13,074	14,822	14,735	17,345	100.0
Change from previous year	(16.1)	(22.0)	(10.5)	(13.4)	(-0.6)	(17.7)	
African Development Bank	200	280	353	289	531	672	3.9
Asian Development Bank	667	795	937	1,001	1,010	1,024	5.9
Inter-American Development Bank	1,380	1,490	1,578	2,223	2,149	2,088	12.0
World Bank	7,450	9,267	10,206	11,309	11,045	13,561	78.2
Net disbursements, total	7,608	9,396	10,239	11,324	10,607	11,494	100.0
Change from previous year	(20.4)	(23.5)	(9.0)	(10.6)	(-6.3)	(8.4)	
African Development Bank	169	246	307	229	458	566	4.9
Asian Development Bank	529	636	761	799	773	756	6.6
Inter-American Development Bank	1,113	1,215	1,284	1,851	1,721	1,512	13.2
World Bank	5,797	7,299	7,887	8,445	7,655	8,659	75.3
To 15 heavily indebted countries							
Commitments, total	5,698	5,969	7,930	5,657	7,876	9,223	100.0
Change from previous year	(0.8)	(4.8)	(32.8)	(-28.7)	(39.2)	(17.1)	
African Development Bank	35	22	45	16	249	378	4.1
Asian Development Bank	216	254	235	276	--	317	3.4
Inter-American Development Bank	887	1,942	2,044	2,588	2,215	2,113	22.9
World Bank	4,560	3,751	5,606	2,777	5,412	6,415	69.6
Gross disbursements, total	3,347	3,810	4,737	6,025	5,636	7,485	100.0
Change from previous year	(11.1)	(13.8)	(24.3)	(27.2)	(-6.5)	(32.8)	
African Development Bank	9	8	23	14	21	72	1.0
Asian Development Bank	121	128	187	172	112	139	1.9
Inter-American Development Bank	898	984	953	1,527	1,489	1,615	21.6
World Bank	2,319	2,690	3,574	4,312	3,967	5,659	75.6
Net disbursements, total	2,428	2,690	3,429	4,332	3,625	4,703	100.0
Change from previous year	(14.7)	(10.8)	(27.5)	(26.3)	(-16.3)	(29.7)	
African Development Bank	3	4	17	10	14	61	1.3
Asian Development Bank	107	103	165	145	81	102	2.2
Inter-American Davelopment Bank	685	742	691	1,202	1,124	1,134	24.1
World Bank	1,633	1,841	2,556	2,976	2,406	3,406	72.4

Sources: Data provided by the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, and the World Bank.

1/ The African Development Bank Group, the Asian Development Bank, the Inter-American Development Bank, and the World Bank (IBRD plus IDA).

Table 38. World Bank: Lending Activities, FY 1981-87 1/

(Amounts in millions of U.S. dollars)

	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
A. Aggregate lending							
1. Commitments	12,291.0	13,015.8	14,476.9	15,522.3	14,384.3	16,318.7	14,188.2
Of which: policy-based	(924.0)	(1,240.7)	(2,035.6)	(2,619.8)	(1,637.9)	(3,099.5)	(4,117.5)
2. Gross disbursements	6,862.0	8,016.2	8,387.9	11,104.3	11,135.2	11,417.6	14,417.7
3. Net disbursements	5,214.3	6,241.4	6,262.6	8,498.1	8,094.6	7,465.6	8,542.4
B. Sub-group total: Selected indebted countries 2/							
1. Commitments	4,350.0	4,300.1	4,522.7	4,354.0	4,410.9	6,070.5	6,634.4
Of which: policy-based	(200.0)	(150.0)	(927.3)	(1,396.1)	(610.0)	(2,105.0)	(2,369.1)
2. Gross disbursements	2,193.1	2,442.3	2,863.1	4,156.4	4,076.5	4,087.3	6,065.6
3. Net disbursements	1,533.1	1,682.9	1,939.2	2,970.7	2,673.9	2,225.3	3,415.1
Memorandum Items: Data for selected indebted countries							
1. Commitments							
Argentina	68.0	400.0	100.0	--	180.0	544.5	965.0
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(350.0)	(500.0)
Bolivia	--	--	--	--	--	70.0	75.4
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(55.0)	(47.1)
Brazil	844.0	722.1	1,457.5	1,604.3	1,523.0	1,620.0	1,261.5
Of which: policy-based	(--)	(--)	(--)	(655.0)	(--)	(500.0)	(--)
Chile	78.0	--	128.0	--	287.0	456.0	366.5
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(250.0)	(250.0)
Colombia	550.0	291.3	78.4	462.2	707.5	700.3	180.3
Of which: policy-based	(--)	(--)	(--)	(--)	(300.0)	(250.0)	(--)
Côte d'Ivoire	133.0	374.5	32.2	250.7	141.3	340.1	160.0
Of which: policy-based	(--)	(150.0)	(--)	(250.7)	(--)	(250.0)	(--)
Ecuador	20.0	228.7	40.6	--	6.0	253.5	159.0
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(100.0)	(--)
Mexico	1,081.0	657.3	887.9	576.3	598.0	904.0	1,678.0
Of which: policy-based	(--)	(--)	(350.0)	(--)	(--)	(--)	(500.0)
Morocco	223.0	276.0	308.2	265.8	207.6	538.0	577.3
Of which: policy-based	(--)	(--)	(--)	(150.4)	(100.0)	(350.0)	(240.0)
Nigeria	321.0	314.0	120.0	438.0	119.0	312.9	629.0
Of which: policy-based	(--)	(--)	(--)	(250.0)	(--)	(--)	(452.0)
Peru	148.0	286.7	302.2	122.5	31.0	13.5	--
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Philippines	533.0	452.9	502.7	183.2	254.0	151.0	342.0
Of which: policy-based	(200.0)	(--)	(302.3)	(--)	(150.0)	(--)	(300.0)
Uruguay	30.0	40.0	45.0	--	64.0	45.2	150.4
Of which: policy-based	(--)	(--)	(--)	(--)	(60.0)	(--)	(80.0)
Venezuela	--	--	--	--	--	--	--
Of which: policy-based	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Yugoslavia	321.0	256.6	520.0	451.0	292.5	121.5	90.0
Of which: policy-based	(--)	(--)	(275.0)	(90.0)	(--)	(--)	(--)
2. Gross disbursements							
Argentina	88.4	114.6	67.7	73.6	130.9	150.9	506.2
Bolivia	82.4	42.4	19.6	11.5	16.8	9.7	25.4
Brazil	377.6	471.5	763.8	1,405.3	1,054.5	716.3	1,616.2
Chile	24.5	32.6	22.4	34.5	67.7	355.5	325.8
Colombia	238.4	248.4	315.1	285.8	590.7	654.3	394.9
Côte d'Ivoire	79.0	110.7	179.2	205.7	191.8	102.7	223.7
Ecuador	45.7	47.0	26.4	81.7	42.0	83.4	176.7
Mexico	424.6	436.7	389.7	528.9	787.9	656.2	1,209.0
Morocco	84.4	110.4	178.7	207.1	215.6	375.2	390.6
Nigeria	72.6	112.8	166.8	271.8	198.9	284.3	704.3
Peru	70.5	75.9	86.9	104.2	127.1	122.5	109.5
Philippines	368.3	338.8	334.8	573.3	216.3	275.0	174.7
Uruguay	6.0	11.9	23.0	20.6	55.7	61.2	15.2
Venezuela	--	--	--	--	--	--	--
Yugoslavia	230.8	288.6	289.1	352.7	380.7	240.0	193.4

Table 38 (Concluded). World Bank: Lending Activities, FY 1981-87 1/

(Amounts in millions of U.S. dollars)

	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
3. Net disbursements							
Argentina	45.2	60.8	13.1	15.8	63.8	69.0	344.3
Bolivia	78.6	36.4	10.3	3.3	2.5	-7.0	-5.7
Brazil	257.6	297.8	549.2	1,084.0	694.8	219.7	856.6
Chile	11.3	20.4	8.5	21.5	45.3	334.2	292.2
Colombia	157.5	162.6	206.5	152.5	431.7	453.6	115.8
Côte d'Ivoire	67.6	96.8	161.6	181.0	157.6	57.2	156.9
Ecuador	32.0	33.4	6.3	63.9	20.2	53.5	136.3
Mexico	314.5	319.1	227.8	313.5	497.5	280.7	702.0
Morocco	45.1	74.3	140.3	145.5	139.1	271.7	256.6
Nigeria	39.2	81.6	131.7	237.5	159.1	226.3	606.4
Peru	51.2	53.9	63.6	71.4	85.7	68.9	44.6
Philippines	328.7	290.9	273.4	495.1	119.2	129.9	-20.0
Uruguay	-4.1	2.9	14.5	4.5	37.0	39.6	-10.1
Venezuela	-33.9	-23.2	-20.4	-18.5	-10.4	-26.2	-25.1
Yugoslavia	142.7	175.3	152.7	199.7	230.9	54.3	-35.7

Source: Data provided by the World Bank.

1/ Fiscal year July 1 to June 30. Comprises IBRD and IDA loans and credits.
2/ The selected indebted countries are: Argentina, Bolivia, Brazil, Chile, Colombia, Côte d'Ivoire, Ecuador, Mexico, Morocco, Nigeria, Peru, Philippines, Uruguay, Venezuela, Yugoslavia.

Table 39. Inter-American Development Bank: Lending Activities, 1981-86 1/

(Amounts in millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
Aggregate lending						
Commitments	2,244.5	2,275.6	2,775.6	3,314.6	2,889.1	2,900.5
Disbursements	1,380.4	1,489.5	1,578.1	2,223.1	2,149.2	2,087.8
Amortizations	267.3	274.7	294.2	371.9	427.7	575.5
Data for selected indebted countries						
Commitments	887.0	1,942.3	2,043.7	2,587.8	2,215.0	2,112.7
Argentina	185.7	369.0	53.4	350.8	100.0	496.0
Bolivia	--	225.0	89.6	73.0	--	135.4
Brazil	107.4	311.3	347.0	221.0	321.5	398.5
Chile	126.0	220.5	548.0	293.3	522.5	359.8
Colombia	113.0	202.5	396.6	395.0	353.3	80.0
Ecuador	23.9	235.0	81.3	306.4	274.4	272.7
Mexico	93.6	239.0	249.8	225.0	387.3	313.0
Peru	159.4	130.0	242.5	180.0	--	--
Uruguay	78.0	10.0	5.5	95.0	18.0	57.3
Venezuela	--	--	30.0	448.3	238.0	--
Disbursements	897.6	983.8	952.6	1,526.6	1,487.8	1,614.9
Argentina	128.8	140.5	114.5	165.5	176.6	146.1
Bolivia	40.0	35.2	22.1	42.6	50.6	110.9
Brazil	197.8	252.0	211.6	279.4	350.1	270.6
Chile	42.7	22.4	166.4	284.5	227.4	126.5
Colombia	100.5	110.6	151.8	174.5	166.1	205.6
Ecuador	75.9	78.7	48.0	69.4	127.6	193.0
Mexico	212.7	195.4	116.9	378.9	296.9	423.0
Peru	91.0	133.5	107.4	111.6	66.9	91.6
Uruguay	5.1	15.5	13.9	20.2	25.6	29.9
Venezuela	3.1	--	--	--	--	17.7
Principal repayments	212.2	241.5	261.3	325.0	363.9	480.5
Argentina	42.3	54.0	40.6	72.6	48.9	78.5
Bolivia	0.2	2.2	4.5	5.7	5.8	7.8
Brazil	65.2	69.0	79.6	96.1	130.4	156.9
Chile	6.1	8.3	10.2	11.4	11.0	21.3
Colombia	13.0	20.1	23.5	25.3	29.8	43.7
Ecuador	3.1	3.9	7.4	11.8	22.8	31.3
Mexico	60.6	64.1	73.3	76.1	79.7	98.6
Peru	4.9	4.5	9.0	12.3	21.4	28.7
Uruguay	3.3	3.3	3.1	4.3	5.2	4.9
Venezuela	13.5	12.1	10.1	9.4	8.9	8.8

Source: Data provided by the Inter-American Development Bank.

1/ In convertible currencies.

Table 40. African Development Bank Group: Lending Activities, 1981-86 1/

(In millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
Aggregate lending						
Commitments	635.5	765.8	898.7	879.3	1,154.1	1,640.3
Of which: nonproject lending	(--)	(--)	(29.4)	(22.0)	(111.2)	(124.3)
Gross disbursements	200.1	280.2	353.0	288.6	531.0	672.3
Of which: nonproject lending	(--)	(--)	(--)	(5.2)	(18.6)	(48.8)
Amortization payments	31.6	34.1	46.1	59.8	72.8	106.6
Subgroup total: selected indebted countries 2/						
Commitments	34.9	22.0	45.2	16.4	248.8	377.6
Of which: nonproject lending	(--)	(--)	(--)	(--)	(111.1)	(73.4)
Gross disbursements	8.8	8.4	22.8	14.1	21.0	72.0
Of which: nonproject lending	(--)	(--)	(--)	(--)	(--)	(40.4)
Amortization payments	5.7	4.3	5.6	4.3	7.1	10.6
Memorandum items						
Data for selected indebted countries 2/						
Commitments						
Cote d'Ivoire	--	11.0	13.8	5.9	61.7	--
Of which: nonproject lending	(--)	(--)	(--)	(--)	(61.7)	(--)
Morocco	34.9	11.0	31.4	10.5	187.1	211.8
Of which: nonproject lending	(--)	(--)	(--)	(--)	(49.4)	(73.4)
Nigeria	--	--	--	--	--	165.8
Of which: nonproject lending	(--)	(--)	(--)	(--)	(--)	(--)
Disbursements						
Cote d'Ivoire	0.8	3.9	8.0	7.1	3.8	21.6
Of which: nonproject lending	(--)	(--)	(--)	(--)	(--)	(13.2)
Morocco	8.0	4.5	14.8	7.0	17.2	50.4
Of which: nonproject lending	(--)	(--)	(--)	(--)	(--)	(27.2)
Nigeria	--	--	--	--	--	--
Of which: nonproject lending	(--)	(--)	(--)	(--)	(--)	(--)
Amortization payments						
Cote d'Ivoire	2.8	1.1	2.0	1.9	3.3	3.4
Morocco	2.6	2.5	3.2	2.0	3.5	5.9
Nigeria	0.3	0.7	0.4	0.4	0.3	1.3

Source: Data provided by the African Development Bank.

1/ Comprises loans from the African Development Bank, the African Development Fund, and the Nigeria Trust Fund.

2/ The selected indebted countries are Cote d'Ivoire, Morocco, and Nigeria.

Table 41. Asian Development Bank: Lending Activities, 1981-86

(In millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
Aggregate lending						
Commitments	1,678	1,684	1,893	2,234	1,908	2,001
Of which: nonproject lending	27	--	93	130	39	179
Disbursements	667	795	937	1,001	1,010	1,024
Of which: nonproject lending	7	8	9	110	87	14
Amortizations	138	159	176	202	237	268
Lending to Philippines						
Commitments	216	254	235	276	--	317
Of which: nonproject lending	--	--	--	130	--	--
Disbursements	121	128	187	172	112	139
Of which: nonproject lending	--	--	--	79	34	4
Amortizations	14	25	22	27	31	37

Source: Data provided by the Asian Development Bank.

Table 42. World Bank: Cofinancing Operations by Source of Cofinancing, Financing Plan Basis, 1980/81-1986/87 1/, 2/

(In millions of U.S. dollars, unless otherwise indicated)

	Number of Projects With Co-financing	Cofinancers' Contribution							Bank Group Contribution		Total Project Costs
		Official		Export Credits		Private		Total			
		Number	Amount	Number	Amount	Number	Amount	Amount	IBRD	IDA	
All countries											
1980/81	75	69	1,493.9	9	548.9	9	1,104.1	3,146.9	2,742.9	1,531.9	15,896.1
1981/82	99	80	2,292.5	22	1,720.9	13	756.0	4,769.4	3,995.5	1,230.9	19,395.1
1982/83	86	81	2,388.6	12	2,205.1	10	935.0	5,528.7	3,071.2	1,163.9	19,334.9
1983/84	101	86	2,015.4	18	1,140.3	11	1,998.0	5,153.7	4,665.5	1,568.4	22,091.1
1984/85	108	89	2,646.6	22	1,383.9	11	1,043.0	5,073.5	4,978.3	1,659.7	24,131.1
1985/86	116	103	2,638.8	13	426.6	5	849.1	3,914.5	4,059.3	1,480.0	24,311.8
1986/87	111	100	2,697.0	15	2,006.1	7	933.8	5,636.9	4,994.6	1,854.3	22,440.8
Fifteen heavily indebted countries 3/											
1980/81	8	5	229.4	3	247.8	6	1,071.8	1,549.0	1,233.0	--	8,321.7
1981/82	16	4	32.5	10	907.3	6	590.0	1,529.8	1,543.3	--	7,468.9
1982/83	8	5	830.2	2	649.4	3	402.0	1,881.6	868.9	--	7,204.1
1983/84	9	5	212.0	3	202.7	5	1,323.3	1,738.0	1,464.6	--	6,918.6
1984/85	13	7	410.2	7	571.8	4	419.5	1,401.5	1,624.9	--	6,945.0
1985/86	15	10	244.7	5	101.6	1	45.0	391.3	1,067.8	15.0	4,412.1
1986/87	15	10	736.6	5	812.2	2	510.9	2,059.7	2,248.3	68.6	7,588.9
Argentina											
1981/82	3	--	--	2	116.8	1	200.0	316.8	400.0	--	1,453.7
1984/85	1	1	59.5	--	--	--	--	59.5	180.0	--	802.6
1986/87	2	--	--	--	--	2	510.0	510.0	776.0	--	1,778.2
Bolivia											
1985/86	1	1	8.0	--	--	--	--	8.0	--	15.0	47.9
1986/87	3	3	85.0	--	--	--	--	85.0	--	68.6	172.0
Brazil											
1980/81	3	1	25.0	--	--	2	315.0	340.0	431.0	--	4,601.5
1981/82	1	--	--	--	--	1	80.0	80.0	182.7	--	739.3
1982/83	2	1	730.0	1	589.4	2	377.0	1,696.4	524.5	--	6,271.9
1983/84	2	--	--	--	--	2	86.6	86.6	473.4	--	1,370.8
1984/85	1	--	--	1	7.6	--	--	7.6	200.0	--	422.0
1985/86	1	1	0.9	--	--	--	--	0.9	100.0	--	208.6
1986/87	1	--	--	1	13.5	--	--	13.5	100.0	--	285.0
Chile											
1984/85	1	--	--	1	14.0	1	300.0	314.0	140.0	--	656.0
1985/86	1	--	--	1	50.0	--	--	50.0	100.0	--	300.0
1986/87	1	1	319.3	1	68.8	--	--	388.1	95.0	--	799.3
Colombia											
1980/81	2	2	185.0	2	153.8	2	364.8	703.6	444.0	--	1,815.2
1981/82	2	1	1.0	1	216.5	--	--	217.5	229.3	--	2,508.2
1983/84	2	--	--	1	22.9	2	236.7	259.6	363.3	--	2,020.1
1984/85	2	--	--	2	149.5	2	87.5	237.0	259.0	--	1,333.5
1985/86	3	1	12.4	3	40.0	--	--	52.4	269.5	--	577.9
1986/87	1	1	102.3	--	--	--	--	102.3	180.3	--	1,623.0
Cote d'Ivoire											
1981/82	2	1	15.0	1	13.0	1	--	28.0	114.5	--	169.6
1982/83	1	1	35.2	--	--	--	--	35.2	32.2	--	98.5
1984/85	2	2	60.0	--	--	1	32.0	92.0	149.3	--	282.3
1985/86	3	3	79.5	--	--	--	--	79.5	60.1	--	331.3
1986/87	1	1	10.0	--	--	--	--	10.0	126.0	--	304.2

Table 42 (concluded). World Bank: Cofinancing Operations by Source of Cofinancing, Financing Plan Basis, 1980/81-1986/87 1/, 2/

(In millions of U.S. dollars, unless otherwise indicated)

	Number of Projects With Co-financing	Cofinancers' Contribution							Bank Group Contribution		Total Project Costs
		Official		Export Credits		Private		Total			
		Number	Amount	Number	Amount	Number	Amount	Amount	IBRD	IDA	
Ecuador											
1981/82	2	--	--	2	20.3	1	40.0	60.3	76.0	--	274.0
1986/87	2	2	19.7	--	--	--	--	19.7	111.0	--	152.4
Mexico											
1980/81	1	--	--	1	94.0	1	292.0	386.0	150.0	--	1,527.0
1981/82	1	--	--	1	147.0	1	180.0	327.0	152.3	--	1,147.3
1983/84	1	1	45.0	--	--	1	1,000.0	1,045.0	200.0	--	1,601.5
1984/85	1	--	--	1	223.9	--	--	223.9	300.0	--	2,123.6
1986/87	2	1	0.3	1	240.0	--	--	240.3	435.0	--	1,000.3
Morocco											
1983/84	1	1	82.0	--	--	--	--	82.0	115.4	--	602.2
1984/85	3	3	60.7	--	--	--	--	60.7	154.1	--	258.1
1985/86	1	1	101.0	--	--	--	--	101.0	120.0	--	720.3
1986/87	1	--	--	1	189.9	--	--	189.9	125.0	--	674.5
Nigeria											
1982/83	1	1	45.0	--	--	--	--	45.0	120.0	--	300.0
1985/86	3	2	13.6	1	11.6	--	--	25.2	239.0	--	428.5
Peru											
1980/81	1	1	19.0	--	--	--	--	19.0	58.0	--	127.6
1981/82	2	1	4.5	1	11.7	--	--	16.2	120.0	--	248.2
1982/83	2	1	19.0	1	60.0	--	--	79.0	111.2	--	325.2
1983/84	1	1	1.0	1	5.0	--	--	6.0	82.5	--	135.9
Philippines											
1980/81	1	1	.4	--	--	1	100.0	100.4	150.0	--	250.4
1981/82	2	1	12.0	1	295.0	1	50.0	357.0	228.5	--	724.2
1982/83	1	1	1.0	--	--	--	--	1.0	36.0	--	71.5
1984/85	1	1	230.0	1	79.0	--	--	309.0	150.0	--	459.0
1986/87	1	1	200.0	1	300.0	--	--	500.0	300.0	--	800.0
Uruguay											
1981/82	1	--	--	1	87.0	1	40.0	127.0	40.0	--	204.4
1982/83	1	--	--	--	--	1	25.0	25.0	45.0	--	137.0
1985/86	1	--	--	--	--	1	45.0	45.0	57.7	--	138.1
Yugoslavia											
1983/84	2	2	84.0	1	174.8	--	--	258.8	230.0	--	1,188.1
1984/85	1	--	--	1	97.8	--	--	97.8	92.5	--	607.9
1985/86	1	1	29.3	--	--	--	--	29.3	121.5	--	1,659.5

Source: Data provided by the World Bank.

1/ These statistics are compiled from the financing plans presented at the time of approval of World Bank loans by its Executive Board. The amounts of official cofinancing are, in most cases, firm commitments by that stage; export credits and private cofinancing amounts are, however, estimates, since such cofinancing is actually arranged as required for project implementation and gets firmed up a year or two later after Board approval. The statistics of private cofinancing in these tables for any fiscal year do not, therefore, reflect market placements in that year. In addition, Board plan figures may themselves be revised in the course of project implementation. This series incorporates such subsequent revisions as they become known.
2/ Fiscal year July 1 to June 30.
3/ The World Bank had no lending operations with Venezuela during this period.

Table 43. Inter-American Development Bank: Cofinancing Operations, 1981-86 1/

(In millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
All countries complementary financing						
Commitments:	301.7	199.0	90.0	--	80.0	13.0
Inter-American Development Bank	218.0	100.0	60.0	--	28.0	--
Commercial banks	83.7	99.0	30.0	--	52.0	13.0
Complementary financing data for selected indebted countries						
Commitments (total)	231.7	199.0	--	--	80.0	13.0
IDB	173.0	100.0	--	--	28.0	--
Commercial banks	58.7	99.0	--	--	52.0	13.0
Argentina	--	--	--	--	--	--
IDB	--	--	--	--	--	--
Commercial banks	--	--	--	--	--	--
Chile	161.0	180.0	--	--	--	--
IDB	126.0	100.0	--	--	--	--
Commercial banks	35.0	80.0	--	--	--	--
Colombia	--	--	--	--	80.0	--
IDB	--	--	--	--	28.0	--
Commercial Banks	--	--	--	--	52.0	--
Peru	70.7	19.0	--	--	--	--
IDB	47.0	--	--	--	--	--
Commercial banks	23.7	19.0	--	--	--	--
Uruguay	--	--	--	--	--	13.0
IDB	--	--	--	--	--	--
Commercial banks	--	--	--	--	--	13.0
All countries cofinancing						
Commitments	820.5	529.8	2,505.7	924.3	1,055.9	632.4
IDB	476.0	437.5	1,261.8	427.0	653.7	455.7
IBRD	197.3	11.4	660.4	230.0	223.8	105.0
Other institutions 2/	25.4	19.9	72.7	27.5	38.3	6.2
Other sources 3/	121.8	61.0	510.8	239.8	140.1	65.5
Cofinancing data for selected indebted countries						
Commitments	733.1	206.3	2,193.2	815.4	852.7	414.3
IDB	406.0	184.0	1,074.1	335.1	522.2	--
IBRD	197.3	1.4	629.4	230.0	193.5	319.3
Other institutions 2/	8.0	9.9	17.4	10.5	--	95.0
Other sources 3/	121.8	11.0	472.3	239.8	137.0	--
Argentina	265.7	--	--	--	240.3	--
IDB	150.0	--	--	--	60.3	--
IBRD	115.7	--	--	--	180.0	--
Other institutions	--	--	--	--	--	--
Other sources	--	--	--	--	--	--
Bolivia	--	154.9	58.6	63.5	--	--
IDB	--	134.0	47.6	53.0	--	--
Other institutions 2/	--	9.9	11.0	10.5	--	--
Other sources	--	11.0	--	--	--	--
Brazil	--	--	482.0	--	--	--
IDB	--	--	130.0	--	--	--
IBRD	--	--	352.0	--	--	--
Other sources 3/	--	--	--	--	--	--
Chile	--	--	912.1	299.0	337.5	414.3
IDB	--	--	548.0	82.1	227.9	--
IBRD	--	--	--	--	--	319.3
Other institutions	-	-	-	-	-	95.0
Other sources	--	--	364.1	216.9	109.6	--
Colombia	237.4	51.4	725.6	452.9	147.1	--
IDB	116.0	50.0	340.0	200.0	115.0	--
IBRD	81.6	1.4	277.4	230.0	8.5	--
Other institutions 2/	8.0	--	--	--	--	--
Other sources 3/	31.8	--	108.2	22.9	23.6	--
Ecuador	230.0	--	14.9	--	--	--
IDB	140.0	--	8.5	--	--	--
Other institutions 2/	--	--	6.4	--	--	--
Other sources 3/	90.0	--	--	--	--	--
Uruguay	--	--	--	--	16.0	--
IDB	--	--	--	--	11.0	--
IBRD	--	--	--	--	5.0	--
Venezuela	--	--	--	--	111.8	--
IDB	--	--	--	--	108.0	--
IBRD	--	--	--	--	--	--
Other institutions 2/	--	--	--	--	--	--
Other sources 3/	--	--	--	--	3.8	--

Source: Data provided by the Inter-American Development Bank.

1/ Includes special financing arrangements not necessarily made during the year.
2/ Other institutions include ECC, IFAD, OPEC, CABEI, and VIF.
3/ Other sources include commercial banks and suppliers.

Table 44. African Development Bank Group: Cofinancing Operations, 1981-86

(In millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
Cofinancing commitments (total)	514.6	1,338.9	1,302.1	509.1	1,176.0	2,032.2
Of which:						
ADB Group contribution	172.8	300.7	372.3	196.7	451.9	734.7
World Bank contribution	84.1	161.5	240.0	131.9	432.0	760.0
Cofinancing commitments to selected highly-indebted countries						
Cote d'Ivoire	--	--	15.6		123.4	--
Total						
Of which:						
ADB Group contribution	--	--	13.8		61.7	--
World Bank contribution	--	--	--		61.7	--
Morocco						
Total	--	--	197.0	--	166.9	481.0
Of which:						
ADB Group contribution	--	--	31.4	--	49.4	149.7
World Bank contribution	--	--	104.7	--	110.8	295.1

Source: Data provided by the African Development Bank.

Table 45. Asian Development Bank: Cofinancing Operations, 1981-86

(In millions of U.S. dollars)

	1981	1982	1983	1984	1985	1986
Cofinancing commitments (total)	1,454	1,577	1,078	2,553	1,832	1,244
Asian Development Bank	827	878	769	1,390	1,193	752
Commercial Banks	87	261	180	230	83	9
Other multilateral institutions	157	240	60	383	136	235
World Bank	(15)	(137)	(5)	(359)	(111)	(173)
UNDP	(5)	(5)	(2)	(2)	(12)	(13)
IFAD	(27)	(20)	(28)	(--)	(8)	(10)
OPEC Fund	(44)	(75)	(--)	(11)	(5)	(8)
EEC	(37)	(3)	(17)	(--)	(--)	(5)
IsDB	(16)	(--)	(8)	(11)	(--)	(2)
Nordic Investment Bank	(--)	(--)	(--)	(--)	(--)	(21)
EIB	(13)	(--)	(--)	(--)	(--)	(3)
United Nations Capital Development Fund	(--)	(--)	(--)	(--)	(--)	(1)
Bilateral donors	324	183	69	348	199	145
Others--export credits	59	15	--	202	222	104
Cofinancing commitments for the Philippines (total)	183	145	--	316	--	53
Asian Development Bank	143	113	--	163	--	43
Commercial banks	--	20	--	3	--	--
Other multilateral institutions	35	--	--	150	--	5
World Bank	(--)	(--)	(--)	(150)	(--)	(--)
IFAD	(8)	(--)	(--)	(--)	(--)	(5)
OPEC Fund	(20)	(--)	(--)	(--)	(--)	(--)
EEC	(7)	(--)	(--)	(--)	(--)	(--)
Bilateral donors	5	12	--	--	--	5
Others	--	--	--	--	--	--

Source: Data provided by the Asian Development Bank.