

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBD/90/85

March 14, 1990

To: Members of the Executive Board
From: The Secretary
Subject: Bangladesh - Exchange Arrangements

Attached for the information of the Executive Directors is a paper on a recent change in the exchange rate of the Bangladesh taka.

Mr. Browne (ext. 7329) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

BANGLADESH

Exchange Arrangements

Prepared by the Asian Department

(In consultation with the Exchange and Trade
Relations and Legal Departments)

Approved by Kunio Saito and A. Basu

March 14, 1990

In the following communication dated March 4, 1990, the Bangladesh Bank has notified the Fund of a 4.75 percent devaluation of the taka in foreign currency terms. With effect from March 5, 1990, the new exchange rate of the taka vis-a-vis the U.S. dollar is Tk 33.88 = US\$1.

A Fund staff team visited Dhaka during February 6-20, 1990 to conduct Article IV consultation discussions and negotiate a program that could be supported by a three-year arrangement under the enhanced structural adjustment facility (ESAF). The staff team will return in May 1990 with the aim of finalizing the consultation discussions and continuing the ESAF negotiations.

MARCH 4, 1990
FROM BANGLADESH BANK HEAD OFFICE DHAKA
TO INTERFUND WASHINGTON, D.C.

EFFECTIVE FROM MARCH 5, 1990 BANGLADESH BANK'S SPOT BUYING AND SELLING RATES ARE TAKA 33.84 AND TAKA 33.92 PER ONE U.S. DOLLAR RESPECTIVELY, MIDDLE RATE BEING TAKA 33.88.

BANGLABANK

Received in Cable Room: March 5, 1990