

INTERNATIONAL MONETARY FUND

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The Executive Board of the International Monetary Fund has submitted a Resolution to the Board of Governors proposing an increase of 50 percent in Fund quotas to approximately SDR 135.2 billion from SDR 90.1 billion. The Executive Board has submitted separately a Resolution to the Board of Governors proposing an amendment of the Articles of Agreement of the International Monetary Fund providing for suspension of voting and related rights of members that do not fulfill their obligations under the Articles.

The Governors are asked to vote on the proposed Resolutions, without meeting, by June 28, 1990. The adoption of the Resolution on quotas requires a majority of 85 percent of the total voting power of the Fund's membership. The adoption of the Resolution on the Third Amendment of the Articles requires a majority of the votes cast.

In accordance with understandings reached by the Interim Committee at its meeting on May 7 and 8, 1990 in Washington, D.C., no increase in quota shall become effective before the effective date of the Third Amendment of the Articles.

The quotas proposed for members were arrived at in the following manner: sixty percent of the overall increase was distributed among all members in proportion to their present individual quotas, and the balance of 40 percent was distributed in the form of selective adjustments in proportion to each member's share in the total of the calculated quotas, i.e., the quotas that broadly reflect members' relative positions in the world economy. The quota of Japan, after being increased in accordance with this method, is increased further to that shown in the Annex. In making this additional adjustment, the increases in quotas of Canada, France, Germany, Italy, the United Kingdom, and the United States are also to be adjusted in a manner that does not affect the increases in quotas of all other members. The quotas of Antigua and Barbuda, Bhutan, Maldives, and Seychelles are further increased to reflect in the total of new quotas their individual shares in the total of calculated quotas before the application of rounding procedures. Quotas that are currently SDR 10 million or less, after being increased by the uniform and selective methods are to be rounded to the next higher multiple of SDR 0.5 million. All other quotas would be rounded to the next higher multiple of SDR 0.1 million.

Twenty-five percent of the increase in each member's quota will be paid in SDRs, or in currencies of other members specified with their concurrence by the Fund.

Members have until December 31, 1991 to consent to the proposed increase; this period may be extended by the Executive Board. Members with overdue obligations to the General Resources Account may not consent to the proposed increase until they become current. No increase in quotas can become effective before the date of the Fund's determination that during the period ending December 30, 1991 members having no less than 85 percent of present quotas have consented to the increase proposed for them, and, thereafter, members having no less than 70 percent of present quotas. The Interim Committee, at its last meeting stated that "every effort should be made by members to ensure that both the quota increase and the amendment shall be effective before end-1991. If it appeared that these resolutions might not be effective by this date, the Committee would consider what steps might need to be taken."

In the context of the discussions on the Ninth Review of Quotas and the strengthened arrears strategy, the Executive Board explored the issue of an amendment of the Articles of Agreement. The proposed amendment would add new provisions to the Articles under which a member's voting rights and certain related rights may be suspended by the Executive Board, by a seventy percent majority of the total voting power, if the member, having been declared ineligible to use the general resources of the Fund, persists in its failure to fulfill any of its obligations under the Articles. During the period of suspension, with certain exceptions, the member shall not participate in the adoption of a proposed amendment of the Articles; the Governor and Alternate Governor, as well as the Executive Director for the member in the Fund will cease to hold office, and its votes shall not be cast in any organ of the Fund. The Fund may, by a seventy percent majority of the total voting power, terminate the suspension at any time.

Under the procedure for the adoption of modifications of the Articles of Agreement, if the proposed amendment is approved by the Board of Governors, the Fund must ask all members whether they accept it. When three-fifths of the members, having 85 percent of the total voting power, have accepted the proposed amendment, the Fund has to certify that fact by a formal communication to all members. The Executive Board recommends that the amendment enter into force on the date of the formal communication.

In accordance with Article III, Section 2(a), of the Articles, the Board of Governors must conduct the Tenth Review of Quotas not later than March 31, 1993, that is, five years from the date of which the Ninth Review should have been conducted. The Interim Committee also noted at its last meeting that "the review could be conducted earlier if there is a clear need to do so."

	Proposed quota (In millions of SDRs)
1. Afghanistan	120.4
2. Algeria	914.4
3. Angola	207.3
4. Antigua and Barbuda	8.5
5. Argentina	1,537.1
6. Australia	2,333.2
7. Austria	1,188.3
8. Bahamas	94.9
9. Bahrain	82.8
10. Bangladesh	392.5
11. Barbados	48.9
12. Belgium	3,102.3
13. Belize	13.5
14. Benin	45.3
15. Bhutan	4.5
16. Bolivia	126.2
17. Botswana	36.6
18. Brazil	2,170.8
19. Burkina Faso	44.2
20. Burundi	57.2
21. Cameroon	135.1
22. Canada	4,320.3
23. Cape Verde	7.0
24. Central African Republic	41.2
25. Chad	41.3
26. Chile	621.7
27. China	3,385.2
28. Colombia	561.3
29. Comoros	6.5
30. Congo, People's Republic	57.9
31. Costa Rica	119.0
32. Cote D'Ivoire	238.2
33. Cyprus	100.0
34. Denmark	1,069.9
35. Djibouti	11.5
36. Dominica	6.0
37. Dominican Republic	158.8
38. Ecuador	219.2
39. Egypt	678.4
40. El Salvador	125.6

		Proposed quota
		(In millions of SDRs)
41.	Equatorial Guinea	24.3
42.	Ethiopia	98.3
43.	Fiji	51.1
44.	Finland	861.8
45.	France	7,414.6
46.	Gabon	110.3
47.	Gambia, The	22.9
48.	Germany	8,241.5
49.	Ghana	274.0
50.	Greece	587.6
51.	Grenada	8.5
52.	Guatemala	153.8
53.	Guinea	78.7
54.	Guinea-Bissau	10.5
55.	Guyana	67.2
56.	Haiti	60.7
57.	Honduras	95.0
58.	Hungary	754.8
59.	Iceland	85.3
60.	India	3,055.5
61.	Indonesia	1,497.6
62.	Iran	1,078.5
63.	Iraq	864.8
64.	Ireland	525.0
65.	Israel	666.2
66.	Italy	4,590.7
67.	Jamaica	200.9
68.	Japan	8,241.5
69.	Jordan	121.7
70.	Kampuchea, Democratic	25.0
71.	Kenya	199.4
72.	Kiribati, Republic of	4.0
73.	Korea	799.6
74.	Kuwait	995.2
75.	Lao People's Democratic Republic	39.1
76.	Lebanon	146.0
77.	Lesotho	23.9
78.	Liberia	96.2
79.	Libya	817.6
80.	Luxembourg	135.5

		Proposed quota
		(In millions of SDRs)
81.	Madagascar	90.4
82.	Malawi	50.9
83.	Malaysia	832.7
84.	Maldives	5.5
85.	Mali	68.9
86.	Malta	67.5
87.	Mauritania	47.5
88.	Mauritius	73.3
89.	Mexico	1,753.3
90.	Morocco	427.7
91.	Mozambique	84.0
92.	Myanmar	184.9
93.	Nepal	52.0
94.	Netherlands	3,444.2
95.	New Zealand	650.1
96.	Nicaragua	96.1
97.	Niger	48.3
98.	Nigeria	1,281.6
99.	Norway	1,104.6
100.	Oman	119.4
101.	Pakistan	758.2
102.	Panama	149.6
103.	Papua New Guinea	95.3
104.	Paraguay	72.1
105.	Peru	466.1
106.	Philippines	633.4
107.	Poland	988.5
108.	Portugal	557.6
109.	Qatar	190.5
110.	Romania	754.1
111.	Rwanda	59.5
112.	Sao Tome & Principe	5.5
113.	Saudi Arabia	5,130.6
114.	Senegal	118.9
115.	Seychelles	6.0
116.	Sierra Leone	77.2
117.	Singapore	357.6
118.	Solomon Islands	7.5
119.	Somalia	60.9
120.	South Africa	1,365.4

Proposed quota
(In millions of SDRs)

121.	Spain	1,935.4
122.	Sri Lanka	303.6
123.	St. Kitts & Nevis	6.5
124.	St. Lucia	11.0
125.	St. Vincent	6.0
126.	Sudan	233.1
127.	Suriname	67.6
128.	Swaziland	36.5
129.	Sweden	1,614.0
130.	Syrian Arab Republic	209.9
131.	Tanzania	146.9
132.	Thailand	573.9
133.	Togo	54.3
134.	Tonga	5.0
135.	Trinidad and Tobago	246.8
136.	Tunisia	206.0
137.	Turkey	642.0
138.	Uganda	133.9
139.	United Arab Emirates	392.1
140.	United Kingdom	7,414.6
141.	United States	26,526.8
142.	Uruguay	225.3
143.	Vanuatu	12.5
144.	Venezuela	1,951.3
145.	Viet Nam	241.6
146.	Western Samoa	8.5
147.	Yemen Arab Republic	70.8
148.	Yemen, People's Democratic Republic of	105.7
149.	Yugoslavia	918.3
150.	Zaire	394.8
151.	Zambia	363.5
152.	Zimbabwe	261.3

