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November 22, 1988

To: Members of the Executive Board

From: The Secretary

Subject: Brazil - Notification of Delay in Concluding the
Article IV Consultation

The 1987 Article IV consultation with Brazil was concluded on September 9, 1987. Since an interval of 12 months until the next consultation was specified for Brazil, the 1988 Article IV consultation should have been concluded by September 9, 1988, or at the latest by December 9, 1988, allowing for the three-month grace period beyond the end of the interval specified. Meanwhile, on July 26, 1988 the Executive Board considered and approved in principle Brazil's request for a stand-by arrangement, which entered into effect on August 23, 1988. The first review under the stand-by arrangement is scheduled to be completed by the Board by February 15, 1989.

The 1988 Article IV consultation discussions were initiated in Brasilia during the period October 6-18, 1988. Further discussions are required to review recent adjustment measures taken by the authorities. In these circumstances it would seem appropriate that the Board discussions concluding the consultation take place together with the review of the program scheduled for early February 1989.

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Department Heads