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January 28, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Surveillance over Exchange Rate Policies - Annual Review -
Background Material

The attached paper provides factual information on the implementation of surveillance procedures in 1985, as well as background material for the annual review of surveillance, which has been scheduled for Wednesday, February 19, 1986.

Mr. Belanger (ext. 8671) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
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INTERNATIONAL MONETARY FUND

Surveillance Over Exchange Rate Policies--
Annual Review: Background Material

Prepared by the Exchange and Trade Relations Department

(In Consultation with Other Departments)

Approved by C. David Finch

January 28, 1986

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I. Introduction and Summary of Main Issues

Under Article IV, section 3, the Fund is to exercise firm surveillance over the exchange rate policies of members. In order for the Fund to perform its functions in this regard, the Executive Board adopted the principles and procedures for surveillance set forth in the document entitled "Surveillance over Exchange Rate Policies." ^{1/} Paragraph VI of the section on procedures states that the Executive Directors shall review annually the general implementation of surveillance. This paper is intended to provide factual information on the implementation of surveillance procedures in 1985, as background for the annual review which is to be completed not later than April 1, 1986.

A second purpose of the paper is to provide a more extensive survey than hitherto of the content of staff reports for Article IV consultations, providing a basis against which to assess recent recommendations for improvements in staff reports. Such recommendations, most notably in the reports of the G-10 and G-24 Deputies, ^{2/} have related in particular to the analytical basis of staff assessments, and to the specificity of assessments and policy recommendations.

Solid staff preparation, comprehensive discussions and complete and analytically sound reports are essential elements for the effective implementation of the Fund's surveillance responsibilities. Requests for a greater range of topics to be covered in consultation reports and for a more analytic treatment of some of these topics have increased demands on staff time and resources. In assessing possible ways of further strengthening the implementation of surveillance procedures, careful attention needs to be paid to the still greater demands that may be implied in the recommendations made. As noted in SM/86/4, these issues arise in connection with the frequency of consultations, the coverage of staff reports and the adoption of new (formal or informal) procedures.

Section II reviews the implementation of surveillance procedures through Article IV consultations with individual members in 1985. As noted in recent reviews of the implementation of surveillance, there has been a substantial increase in the number of Article IV consultations concluded annually following the widespread and rapid emergence of severe debt servicing difficulties in 1982, and the recognition that a determined effort was needed to ensure a more regular flow of

^{1/} Executive Board Decision No. 5392-(77/63), adopted April 29, 1977, Selected Decisions of the International Monetary Fund and Selected Documents, Eleventh Issue, pp. 10-14.

^{2/} "Report of G-10 Deputies on the Functioning of the International Monetary System," circulated as EBD/85/154, Supp. 1 (6/21/85) and "Report of the Deputies of the Group of Twenty-four on the Functioning and Improvement of the International Monetary System--Transmittal to the Interim Committee," circulated as EBD/85/228, (8/30/85).

information to the Fund on developments and policies in member countries. This trend continued in 1985 as the number of consultations concluded increased further to 131 from 119 in the preceding year.

Section III examines, on the basis of a survey of staff reports for Article IV consultations concluded in 1985, current practices regarding the content of staff reports. A conclusion of the survey is that the policy coverage of Article IV staff reports has been quite extensive. In recent years, problems of external debt and protectionism have increasingly been important elements of staff discussions with members. Most consultation reports, in particular reports for almost all countries where external debt is a significant issue, include a description of the medium-term external debt or payments outlook for the country concerned. Problems of fiscal policy and structural adjustment, including in particular the pressing need to increase the efficiency of labor markets, are also being stressed in many consultations. The survey also reviews current practices as regards the inclusion of specific policy assessments and recommendations in staff reports for Article IV consultations, providing background for the discussion of related proposals in the report of G-10 Deputies.

Section IV reviews the implementation in 1985 of regular practices for the monitoring of exchange rates and exchange arrangements. Notifications to the Executive Board of changes in exchange arrangements and information notices relating to large changes in real effective exchange rates continued to bring to the Board's attention a large number of significant changes in exchange rates. Directors have generally considered at the time of earlier annual reviews that experience with the two parallel monitoring systems had been broadly satisfactory.

Section V provides a brief overview of major Board discussions in 1985 related to surveillance.

II. Article IV Consultations in 1985

1. Membership coverage

The number of Article IV consultations continued to increase in 1985. A total of 131 consultations were concluded, involving 85 percent of Fund membership ^{1/} compared with about 120 consultations in each of 1983 and 1984 (Table 1). Consultations were concluded with all of the G-10 countries and with all but two of the non-G-10 industrial countries. Consultations were also concluded with 84 percent of the nonindustrial countries in 1985, compared with 77 percent in 1984.

For members concluding consultations, the average period between consultations fell from 15 months in 1984 to 13.5 months in 1985, compared with more than 19 months in both 1982 and 1983 (Table 2). The continuing decline reflected the ongoing application of the system of specifying, when concluding a consultation, the interval until the next consultation, as well as the normalization of the consultation process for most countries for which consultations had previously been long overdue. Only four countries had not had consultations within the past 24 months at the end of each of the last two years compared with six at the end of 1983 and 19 at the end of 1982.

2. Specification of the interval between consultations

The guidelines established by the Executive Board at the time of the 1983 Surveillance Review state that Article IV consultations should be conducted annually for members whose economic developments have a substantial impact on other countries, ^{2/} for members with programs involving use of Fund resources, and for members for which there are substantial doubts about medium-term balance of payments viability. For other countries, the interval between consultations may extend up to two years. Directors have also considered that smaller members for which longer intervals between consultations would otherwise be appropriate should be entitled to request annual consultations.

A standard 12-month interval between consultations had been specified for 127 countries as of the end of 1985, 87 percent of the cases for which the interval until the next consultation had been established (Table 3). ^{3/} Standard 12-month intervals had been specified for 85 percent of the industrial countries and for 87 percent of the

^{1/} Two Article IV consultations each were concluded by the Board for three countries in 1985, and separate consultations were concluded with the Netherlands and Netherlands Antilles. The number of members covered was thus 127 in 1985, compared to 117 in 1983 and 118 in 1984.

^{2/} Interpretation of this criterion was made more specific at the time of the 1985 annual review of surveillance by noting that it should apply to "at least the 25 largest members" (SUR/85/36, 3/28/85).

^{3/} Includes Netherlands Antilles for which a separate consultation is specified.

nonindustrial countries. In addition to countries with the largest Fund quotas, 1/ a standard 12-month interval had been specified for one country considered important at the regional level; 51 countries with a Fund stand-by or extended arrangement, or for which such an arrangement has either recently ended or is being considered; 46 countries whose situation indicates a need for close scrutiny; and 5 countries for which an interval of 12 months was specified at the request of the authorities. Of the 19 cases in which longer intervals had been specified, 16- to 19-month intervals had been specified in 17 cases while 24-month intervals had been specified in two cases (Table 4).

During 1985, the interval until the next consultation was changed in 12 cases from that which had been specified earlier. Twelve-month intervals were specified for Lebanon and Chad (for which no specific time had been set earlier owing to security problems) and for Austria, Benin, Djibouti, Jordan, the Netherlands Antilles, the Seychelles, and Solomon Islands (for which a longer interval had previously applied). The specification of a twelve-month interval in the cases of Djibouti and the Seychelles was at the request of the authorities, while Austria is among the 25 largest member countries. The interval until the next consultation was lengthened from 12 to 18 months for Grenada and the United Arab Emirates while, in the case of Luxembourg, a longer interval of 24 months was specified (instead of the earlier outer limit of 18 months). Decisions concerning the interval until the next consultation were taken for the first time in six cases: twelve-month intervals were specified for Comoros, Mozambique, and Yugoslavia while longer intervals were specified for Cape Verde, Libya, and St. Christopher and Nevis.

Accommodation of members' desires to hold consultations at a particular time of year has, at times, been accomplished by use of the grace period. For example, in the case of Greece, for which a standard 12-month cycle applies, this was done explicitly by noting that the next consultation would take place in about 15 months (making use of the three-month grace period). 2/ In a few cases, changing of the timing of the consultation has been achieved by extending the specified interval until the next consultation. In the case of Belgium, for which a standard 12-month cycle applies, it was noted that, exceptionally, the next consultation would be concluded in about 16 months. 3/ In the case of Qatar, management approved an extension of the interval until the next consultation from 18 months to 24 months to permit the next consultation mission to take place at the same time of the year as the previous

1/ At present, the criterion applies to members with the 24 largest quotas. In the case of Norway, which has the 25th largest quota, a 19-month interval until the next consultation was specified at the conclusion of the most recent Article IV consultation in December 1984.

2/ "Chairman's Summing Up at the Conclusion of the 1985 Article IV Consultation with Greece," SUR/85/87 (6/11/85).

3/ "Chairman's Summing Up at the Conclusion of the 1984 Article IV Consultation with Belgium," SUR/85/3 (1/14/85).

one. In one case (Venezuela) for which special monitoring procedures under enhanced surveillance are being applied, it was decided at the request of the authorities that the next regular Article IV consultation would take place in about six months and that the special midyear consultation would take place in about one year. 1/

3. Delays in concluding consultations and problem cases

Consultation intervals have been specified for all but four countries (Table 5). Tonga, which became a Fund member on September 13, 1985, is expected to conclude its first Article IV consultation in 1986. The other three cases are instances of long-standing difficulties: Democratic Kampuchea, no contacts; Iraq, security problems; Islamic Republic of Iran, security problems.

Twenty-two of the consultations which, on the basis of the interval specified, had been expected to be concluded in 1985 either have exceeded or are likely to exceed the specified interval by more than the three-month grace period (Table 6). However, in contrast with the more lengthy delays experienced earlier, recent delays have been a matter of a few days or weeks, or at most a few months. These delays in concluding consultations have been generally attributable either to continuing discussions on the use of Fund resources or to difficulties in fielding the staff mission (sometimes as a result of staff involvement in missions to other countries). Executive Directors have stressed on several occasions that consultations should not be delayed because of discussions on the use of Fund resources. In contrast with experience in several earlier cases, however, recent cases in which delays have occurred because of continuing discussions for the use of Fund resources have involved only short delays aimed at avoiding successive Board discussions within a brief interval.

4. Time elapsed between missions and Executive Board conclusion of consultations

The period from termination of initial consultation discussions to conclusion by the Executive Board which had averaged 104 days in the two preceding years fell to 97 days in 1985 (Table 7). 2/ Most of this decline was in the average period between the termination of initial discussions and issuance of the staff report, which fell to 66 days in 1985 from 71 days in 1984. This decline reflected shorter delays in cases of consultations requiring multiple missions. While the number of

1/ "Chairman's Summing Up at the Conclusion of the 1985 Article IV Consultation with Venezuela," SUR/85/132 (12/19/85).

2/ The terms "initial" and "final" discussions are used to refer to cases where the conclusion of consultation discussions with the authorities requires multiple missions or further discussions with the authorities at headquarters, generally associated with concurrent discussions of use of Fund resources. In the more usual cases of single missions, "initial" and "final" discussions are the same.

cases requiring multiple missions declined only slightly from 20 in 1984 to 19 in 1985, associated delays fell sharply to 9 days, on average, from 19 days in 1984. There was a slight offsetting increase in the average period from the termination of final discussions to the issuance of staff reports from 52 days in 1984 to 57 days in 1985.

The average period from issuance of staff reports to Board conclusion of the consultation also declined, falling from 33 days in 1984 (and 37 days in 1983) to 31 days in 1985. This decline was attributable to a rise in the percentage of papers being considered by the Board at or near the minimum circulation period for which an Executive Board waiver is not required. 1/ The percentage of Article IV consultations concluded within 30 days following the issuance of the staff report rose from 54 percent in 1984 to 68 percent in 1985.

5. Application of the three-month rule

Under the Procedures for Surveillance (Decision No. 5392-(77/63), Procedure II), the Executive Board is required to conclude an Article IV consultation not later than three months after the completion of discussions between the member country and the staff. 2/ If Executive Board consideration of an Article IV consultation report is expected to be delayed beyond the three-month period, a paper is issued seeking Board approval for an extension of the period for concluding the Article IV consultation.

The number of extensions of the three-month period fell from 27 in 1984 to 24 in 1985 (Tables 8 and 9). Brief delays in order to discuss the Article IV consultation jointly with a member's request for the use of Fund resources or with reviews of existing Fund-supported arrangements remained the most frequent reason for extensions beyond the three-month period. Other frequent reasons were difficulties in scheduling Board meetings, the need to provide sufficient time for official comments on staff reports, staff commitments to other missions, and the need to seek additional information from the authorities.

1/ Staff reports for Article IV consultations with all members are normally required to be circulated at least three weeks in advance of the Board discussion. For members using the Fund's resources in the upper credit tranches or those whose consultations would have an important bearing on the Fund's surveillance functions under Article IV, the normal minimum circulation period is four weeks. Shorter circulation periods are permissible with an Executive Board waiver.

2/ A detailed discussion of procedures followed in this respect is provided in the 1983 Surveillance Review paper (SM/83/43, 3/1/83).

6. Resources devoted to Article IV consultations

a. Staff travel ^{1/}

The number of consultation missions, which fell from 130 in 1983 to 123 in 1984, is estimated to have increased to 134 in 1985 (Table 10). The increase was attributable to a rise in the number of Article IV consultations that was initiated during the year, as the number of multiple missions was little changed. The sharply increasing trend noted in the number of consultation missions in the African and Western Hemisphere Departments continued in 1985. The size of missions remained stable, averaging 4.7 professional staff. Eighty-four percent of all missions included four or five professional staff. ^{2/} The total number of staff member trips in connection with Article IV consultations is estimated to have increased from 588 in 1984 to 636 in 1985 (Table 11).

b. The Executive Board

Executive Board time devoted to country items increased sharply in 1985 and was primarily responsible for the concurrent increase in the total time spent in Board discussions (Table 12). The Executive Board devoted 323 hours (62 percent of total) to discussions of country items in 1985, compared with 298 hours in 1984. The rise was attributable about equally to the increase in the number of consultations concluded in 1985 and to the longer period of time devoted to each consultation. The average time spent on Article IV consultations or consultations combined with use of Fund resources increased from 1.6 hours in 1984 to 1.8 hours in 1985. Miscellaneous country items, which had accounted for only a small proportion of Board time previously, increased sharply in 1984 and remained high in 1985 (mainly on account of discussions of overdue financial obligations).

7. Length of staff reports and papers on recent economic developments

The trend toward longer consultation reports noted in earlier annual reviews continued in 1985. The average length of the main text of staff reports rose slightly from 20.6 pages in 1984 to 21.2 pages in 1985 (Table 13). Although there was a slight increase in the percentage of reports incorporating requests for the use of Fund resources and reviews of Fund-supported arrangements, the increase was mainly the

^{1/} Data on the size of Article IV missions and participation in Article IV missions by area and functional departments are based on actual data for January-October 1985 and staff estimates for November and December 1985. Data on duration of business travel by purpose and by department for 1985 will be available early in February and will be circulated as a supplement before the Board meeting.

^{2/} In addition, a number of Article IV consultation missions included an IBRD staff member; the number of IBRD staff is not included in these calculations.

result of more extensive reporting, including medium-term scenarios, and discussions of protectionism and structural policies.

The average length of papers on recent economic developments (including supplements) also increased, from 99.5 pages in 1984 to 103.6 pages in 1985. While there was a slight rise in the number of very short RED papers (50 pages or less) in 1985, this was more than offset by an increase in the percentage of long RED papers (over 100 pages) to 53.6 percent in 1985, continuing the trend toward longer papers noted in preceding years; the number of RED papers of 150 pages or more increased from two in 1984 to eight in 1985. The increase in length reflects in part the expanding practice of including special appendices on a wide variety of analytical and institutional issues (at the request of, and often commented favorably upon by, the Executive Board), as well as the provision of more complete information on external indebtedness, trade policies, and the impact of protectionism.

Table 1. Article IV Consultations--
Membership Coverage, 1981-85 1/

	1981	1982	1983	1984	1985
Consultations completed	<u>86</u>	<u>82</u>	<u>120</u>	<u>119</u>	<u>131</u>
Industrial countries	13	13	16	19	18
Group of 10	(8)	(8)	(8)	(10)	(10)
Other	(5)	(5)	(8)	(9)	(8)
Nonindustrial countries	73	69	104	100	113
Of which:					
Program countries <u>2/</u>	28	30	42	29	31
Membership coverage (percent)	<u>61</u>	<u>57</u>	<u>80</u>	<u>80</u> <u>3/</u>	<u>85</u> <u>3/</u>
Industrial countries	65	65	80	95	90
Group of 10	(80)	(80)	(80)	(100)	(100)
Other	(50)	(50)	(80)	(90)	(80)
Nonindustrial countries	60	55	80	77	84
Of which:					
Program countries <u>2/</u>	55	57	90	88	91
Memorandum items:					
Staff reports issued	83	98	118	114	135
Consultation missions <u>4/</u>	88	106	130	123	134 <u>5/</u>

Source: Exchange and Trade Relations Department.

1/ Excludes supplemental consultations under enhanced surveillance. A complete listing of countries concluding Article IV consultations in 1985 is provided in Table 26.

2/ Countries with stand-by or extended arrangements in effect at end of year.

3/ Two Article IV consultations were discussed by the Board within a single calendar year for one country in 1984 and for three countries in 1985, and separate consultations were concluded with the Netherlands and the Netherlands Antilles in 1985. The number of members covered was thus 118 in 1984 and 127 in 1985.

4/ Includes multiple missions for individual consultations.

5/ Based on actual data through October 1985 and estimates prepared by the Administration Department for the remainder of 1985.

Table 2. Frequency of Article IV Consultations, 1981-85

	1981	1982	1983	1984	1985
1. Countries concluding consultations during year					
Average interval since last consultation (months)	<u>18.0</u>	<u>19.7</u>	<u>19.3</u>	<u>15.0</u>	<u>13.5</u>
Industrial countries	18.3	17.7	17.0	13.8	13.7
Group of 10	(17.9)	(14.4)	(14.8)	(12.7)	(12.9)
Other	(19.3)	(23.0)	(19.2)	(14.9)	(14.7)
Nonindustrial countries	17.9	20.1	19.4	15.2	13.4
Of which: program <u>1/</u>	18.2	22.1	20.0	14.4	14.5
2. Countries not concluding consultations during year <u>2/</u>					
Number of countries	58	62	29	28	21
Of which: program <u>1/</u>	(23)	(23)	(5)	(4)	(3)
Number without consultations for:					
15-24 months	36	27	12	10 <u>3/</u>	4 <u>4/</u>
More than 24 months	14	19	6	4	4

Source: Exchange and Trade Relations Department.

1/ Countries with stand-by or extended arrangements at end of year.

2/ Excludes new members which had not yet held their first consultation.

3/ Includes six countries on longer consultation intervals for which no consultation was scheduled in 1984.

4/ Includes one country on a longer consultation interval for which no consultation was scheduled in 1985.

Table 3. Countries on Standard 12-Month Consultation Intervals

(As of January 27, 1986)

Country	Date by Which Next Consul- tation to be Concluded <u>1/</u>	Country	Date by Which Next Consul- tation to be Concluded <u>1/</u>
<u>African Department</u>			
Algeria	09/09/86	Madagascar	01/08/87
Benin	03/08/86	Malawi	05/22/86
Botswana	04/10/86	Mali	05/03/86
Burkina Faso	10/19/85 <u>2/</u>	Mauritania	11/01/86
Burundi	05/08/86	Mauritius	09/18/86
Cameroon	08/26/86	Morocco	09/12/86
Central African Republic	09/23/86	Mozambique	07/03/86
Chad	04/26/86	Niger	07/08/86
Comoros	02/25/86	Nigeria	06/17/86
Congo	11/04/86	Rwanda	01/15/87
Cote d'Ivoire	06/03/86	Sao Tome and Principe	11/19/85 <u>2/</u>
Djibouti	06/17/86	Senegal	01/16/86 <u>3/</u>
Equatorial Guinea	10/12/85 <u>2/</u>	Seychelles	04/24/86
Ethiopia	06/14/86	Sierra Leone	12/04/86
Gabon	03/15/86	Somalia	08/09/86
Gambia, The	09/20/86	Swaziland	07/31/86
Ghana	09/13/86	Tanzania	12/09/85 <u>3/</u>
Guinea	10/31/85 <u>4/</u>	Togo	05/17/86
Guinea-Bissau	09/04/86	Tunisia	11/12/86
Kenya	10/21/86	Uganda	02/08/86
Lesotho	11/20/86	Zaire	04/24/86
Liberia	07/24/86	Zambia	10/30/86
		Zimbabwe	09/18/86
<u>Asian Department</u>			
Bangladesh	12/02/86	Malaysia	07/24/86
Burma	03/01/86	Maldives	01/23/86 <u>3/</u>
China, Peoples Republic of	11/08/86	Nepal	12/23/86
Fiji	12/20/86 <u>5/</u>	Papua New Guinea	08/07/86
India	02/22/86	Philippines	09/25/86
Indonesia	02/08/86 <u>4/</u>	Solomon Islands	08/28/86
Japan	03/04/86 <u>4/</u>	Sri Lanka	05/22/86
Korea	07/12/86	Thailand	06/14/86
Lao, P.D.R.	01/03/87	Vietnam	07/01/86
		Western Samoa	02/04/86
<u>European Department</u>			
Australia	02/20/86 <u>4/</u>	Italy	05/24/86
Austria	05/22/86	Netherlands	05/01/86
Belgium	... <u>6/</u>	Netherlands Antilles	02/15/86
Cyprus	12/19/85 <u>3/</u>	New Zealand	06/10/86
Denmark	03/18/86	Portugal	09/09/86
France	07/29/86	Romania	10/28/86
Germany	08/02/86	South Africa	06/07/86
Greece	06/11/86 <u>7/</u>	Spain	09/23/86
Hungary	01/13/87	Sweden	08/07/86
Iceland	01/13/87	Turkey	01/13/87
Ireland	09/10/86	United Kingdom	03/06/86 <u>4/</u>
Israel	05/24/86	Yugoslavia	04/29/86

Table 3 (Concluded). Countries on Standard 12-Month Consultation Intervals

(As of January 27, 1985)

Country	Date by Which Next Consul- tation to be Concluded <u>1/</u>	Country	Date by Which Next Consul- tation to be Concluded <u>1/</u>
<u>Middle Eastern Department</u>			
Afghanistan	01/24/87	Saudi Arabia	07/26/86
Egypt	08/07/86	Sudan	12/19/85 <u>3/</u>
Jordan	06/26/86	Syrian Arab Republic	09/10/85 <u>2/</u>
Lebanon	02/20/86	Yemen Arab Republic	11/20/86
Pakistan	02/27/86	Yemen, P.D.R.	06/10/86
<u>Western Hemisphere Department</u>			
Argentina	09/04/85 <u>2/</u>	Guatemala	06/21/86
Bahamas	06/12/86	Guyana	11/20/86
Barbados	10/25/86	Haiti	11/25/86 <u>5/</u>
Belize	06/28/86	Honduras	01/27/87
Bolivia	09/23/86	Jamaica	07/17/86
Brazil	08/28/86	Mexico	06/07/86
Canada	02/27/86 <u>4/</u>	Nicaragua	03/04/86
Chile	07/15/86	Panama	07/15/86
Colombia	07/26/86	Paraguay	12/11/86 <u>5/</u>
Costa Rica	09/10/86	Peru	12/21/85 <u>2/</u>
Dominica	07/15/86	Suriname	03/22/86
Dominican Republic	11/27/86	Trinidad and Tobago	05/01/86
Ecuador	09/20/86	United States	08/05/86
El Salvador	12/27/86	Uruguay	04/08/86
		Venezuela	06/13/86

Source: Exchange and Trade Relations Department.

1/ On basis of specified 12-month interval. Conclusion of consultation within the grace period of three months after the date specified would be considered in compliance with the guideline.

2/ See Table 6.

3/ Conclusion date is expected to be within grace period permitted by guidelines.

4/ Executive Board meetings to conclude the Article IV consultation are tentatively scheduled for these countries: Australia (3/7/86); Canada (2/14/86); Guinea (2/3/86); Indonesia (2/14/86); Japan (3/10/86); and United Kingdom (2/24/86).

5/ Two consultations were concluded with Fiji, Haiti and Paraguay in 1985. A standard cycle was specified at the conclusion of both consultations.

6/ Exceptionally, the Board agreed that the next consultation would be concluded in May 1986, one month beyond the end of the normal three-month grace period.

7/ The Board, however, noted in concluding the 1985 Article IV consultation that the next consultation would be completed by August 1986, within the three-month grace period.

Table 4. Countries on Longer Consultation Intervals

(As of January 27, 1986)

Country	Date by which Next Consultation to be Concluded <u>1/</u>	Interval (Months) <u>2/</u>
<u>African Department</u>		
Cape Verde	(09/20/86)	18
<u>Asian Department</u>		
Bhutan	(02/28/87)	18
Singapore	06/30/86	(17)
Vanuatu	(05/04/87)	18
<u>European Department</u>		
Finland	(01/17/87)	18
Luxembourg	(06/17/87)	24
Malta	(10/29/86)	18
Norway	07/31/86	(19)
<u>Middle Eastern Department</u>		
Bahrain	(09/06/86)	18
Kuwait	(07/16/86)	18
Libya	(06/03/87)	24
Oman	06/30/86	(16)
Qatar	(06/14/85) <u>3/4/</u>	18
United Arab Emirates	(01/22/87)	18
<u>Western Hemisphere Department</u>		
Antigua and Barbuda	11/30/86	(18)
Grenada	(06/18/87)	18
St. Christopher and Nevis	06/30/86	(17)
St. Lucia	04/30/87	(18)
St. Vincent	01/31/86 <u>4/</u>	(18)

Source: Exchange and Trade Relations Department.

1/ Date specified in summing up or if in parentheses, date derived from specification in summing up in terms of number of months.

2/ Parentheses indicate that number of months is derived from date specified in summing up.

3/ To accommodate the authorities' preference regarding the timing of the mission, management approved an extension of the specified 18-month interval to 24 months.

4/ Executive Board meetings to conclude the Article IV consultation are tentatively scheduled for St. Vincent (2/5/86) and Qatar (2/5/86).

Table 5. Countries for which Timing Has not
Been Specified for Next Consultation 1/

(As of January 27, 1986)

Country	Date of Last Consultation	Comments
<u>Asian Department</u>		
Kampuchea, Democratic	10/31/73	No contacts.
<u>Middle Eastern Department</u>		
Iran, Islamic Republic of	10/06/78	Security problems. <u>2/</u>
Iraq	02/29/80	Security problems. <u>2/</u>

Source: Exchange and Trade Relations Department.

1/ Not including Tonga which became a Fund member on September 13, 1985. The first Article IV consultation with Tonga is expected to be concluded in 1986.

2/ "Security problems" refers to cases where the member, in a situation of armed conflict, has declined to receive a consultation mission, or where the security of the mission cannot be assured.

Table 6. Countries Exceeding Specified Consultation Intervals in 1985 ^{1/}

	End of Grace Period	Date Concluded	Explanation
<u>African Department</u>			
Algeria	7/18/85	9/9/85	Delay in fielding mission due to staff involvement in missions to other countries and delays experienced in scheduling Board discussion.
Burkina Faso	1/19/86	May 1986 <u>2/</u>	Delay in fielding mission to allow authorities time to prepare for discussion of use of Fund resources.
Equatorial Guinea	1/12/86	April 1986 <u>2/</u>	Delay in fielding mission due to extensive preparation required for Paris Club meeting and authorities' preference to have mission after Annual Meeting and completion of bilateral debt negotiation.
Kenya	8/16/85	10/21/85	Delay in fielding mission due to authorities' preference to have mission after budget preparation period.
Liberia	7/6/85	7/24/85	Delay in issuance of staff report due to continuing discussions on use of Fund resources.
Morocco	7/9/85	9/12/85	Delay associated with continuing discussions on use of Fund resources.
Nigeria	5/13/85	6/17/85	Issuance of staff report delayed by staff involvement in missions to other countries.
Sao Tome and Principe	2/19/86	May 1986 <u>2/</u>	Delay in fielding mission due to authorities' preference to have mission after aid donor meeting in December 1985.
Somalia	7/31/85	8/9/85	Delay associated with discussions on use of Fund resources.
Zambia	10/18/85	10/30/85	Delay to allow preparation of staff report supplement on recent policy actions.
<u>Asian Department</u>			
Bangladesh	10/20/85	12/2/85	Delay to permit concurrent Board discussion of request for use of Fund resources.
Thailand	5/15/85	6/14/85	Issuance of staff report delayed by continuing discussions on use of Fund resources.
<u>European Department</u>			
Italy	4/27/85	5/24/85	Delay in fielding mission due to staff involvement in missions to other countries.
Malta	4/18/85	4/29/85	Delay due to Interim Committee meeting.

Table 6 (Concluded). Countries Exceeding Specified Consultation Intervals in 1985 1/

	End of Grace Period	Date Concluded	Explanation
<u>Middle Eastern Department</u>			
Afghanistan	12/14/85	1/24/86	Delay to enable authorities to convey their comments on the staff report.
Qatar	9/14/85	2/5/86 <u>2/</u>	Extension of 18-month interval approved by management to accomodate authorities' preference to have mission at same time of year as the previous one.
Syria	12/10/85	Feb. 1986 <u>2/</u>	Earlier timing for mission could not be agreed with the authorities.
<u>Western Hemisphere Department</u>			
Argentina	12/4/85	Feb. 1986 <u>2/</u>	Delay associated with continuing discussions on use of Fund resources.
Brazil	8/9/85	8/28/85	Delay associated with continuing discussions on use of Fund resources.
Dominican Republic	11/8/85	11/27/85	Delay associated with continuing discussions on use of Fund resources.
Peru	2/21/86	May 1986 <u>2/</u>	Earlier timing for mission had not been agreed with authorities.
Venezuela	11/30/85	12/13/85 <u>2/</u>	Delay in fielding mission to allow authorities more time to revise quantified economic program.

Source: Exchange and Trade Relations Department.

1/ Countries for which the timing specified for the next consultation (excluding grace period) fell within calendar 1985.

2/ Expected date of conclusion.

Table 7. Article IV Consultations--Period from Termination of Initial Discussions to Board Conclusion, 1981-85 1/

	1981	1982	1983	1984	1985
Termination of initial discussion to issuance of staff report <u>2/</u>					
Average in calendar days	63	59	67	71	66
Percentage distribution					
40 days or less	13	10	7	13	12
41-50 days	22	30	20	21	15
51-60 days	21	21	26	25	24
61-70 days	20	19	20	18	24
71-80 days	9	10	7	2	9
81 days or more	15	10	20	21	16
Issuance of staff report to Board conclusion					
Average in calendar days	26	39	37	33	31
Percentage of distribution					
20 days or less	47	7 <u>3/</u>	10 <u>3/</u>	8 <u>3/</u>	7 <u>3/</u>
21-30 days	25	41	51	46	61
31-40 days	14	19	18	30	20
41-50 days	6	19	8	8	6
51-60 days	6	3	3	6	2
61 days or more	1	11	10	2	4
Total: termination of initial discussion to Board conclusion					
Average in calendar days	89	99	104	104	97
Percentage distribution					
70 days or less	22	10	9	13	14
71-80 days	17	17	16	15	12
81-90 days	22	20	23	26	26
91-100 days	10	19	17	14	27
101-110 days	9	14	10	9	4
111-120 days	10	6	3	3	4
121 days or more	10	14	22	20	13
Memorandum item:					
Termination of final discussion to issuance of staff report					
Average in calendar days	59	52	57

Source: Exchange and Trade Relations Department.

1/ Recorded in year in which consultation concluded.

2/ The terms "initial" and "final" discussions are used to refer to cases where the conclusion of consultation discussions with the authorities requires multiple missions or further discussions with the authorities at headquarters, generally associated with concurrent discussions of use of Fund resources. In the more usual cases of single missions, "initial" and "final" discussions are the same.

3/ The Executive Board agreed to waive the circulation period in these cases.

Table 8. Reasons for Requests for Extension of the Three-Month Period for the Conclusion of Article IV Consultations, 1981-85

(Number of cases) 1/

	1981	1982	1983	1984	1985 <u>2/</u> <u>3/</u>
Difficulties in scheduling Board meetings <u>4/</u>	1	19	7	7	4
Desire to discuss jointly use of Fund resources and Article IV consultations	5	8	16	10	8
Delays to allow official comments on staff papers before Board discussion	5	7	3	5	4
Additional information or discussion required, e.g., policy or institutional changes	1	3	6	4	4
Staff committed to other missions --	--	1	2	1	4
Request of the authorities <u>5/</u>	7	3	--	--	--
Total	<u>19</u>	<u>41</u>	<u>34</u>	<u>27</u>	<u>24</u>

Source: Exchange and Trade Relations Department.

1/ Individual countries may have had more than one request for extension in a given year.

2/ Table 9 lists the 1985 requests for extensions.

3/ Excludes the request for extension associated with the supplemental consultation with Venezuela on 5/30/85 under enhanced surveillance procedures.

4/ Mostly on account of heavy Executive Board schedules, often around the time of the Interim Committee and Annual Meetings, but also including cases where the Executive Director elected by the member concerned was unable to be present. Prior to 1984, many extension requests took place because the three-month period expired during a period when the Executive Board normally would not meet; however, since June 1983, such delays no longer require a request for extension.

5/ Starting with 1983, extensions at the request of the authorities have been classified in other categories, reflecting the reason underlying the request.

Table 9. Requests for Extension of Three-Month Period
for Conclusion of Article IV Consultations in 1985 1/

Country	Document Number	Date
Afghanistan	EBD/85/320	12/27/85
Algeria	EBD/85/222	08/26/85
Bangladesh	<u>2/</u>	10/21/85
Benin	EBD/85/54	02/21/85
Cameroon	EBD/85/204	08/05/85
Chile	EBD/85/133	05/20/85
Chile	EBD/85/133, Supp. 1	07/01/85
Colombia	EBD/85/158	06/24/85
Comoros	EBD/85/46	02/07/85
Congo	EBD/85/260	10/17/85
Côte d'Ivoire	EBD/85/115	05/02/85
Gabon	EBD/85/56	02/22/85
Honduras	EBD/85/31	01/25/85
Mali	EBD/85/109	04/29/85
Mauritius	EBD/85/236	09/06/85
Morocco	EBD/85/205	08/05/85
Morocco	EBD/85/205, Supp. 1	09/06/85
Niger	EBD/85/163	07/02/85
Nigeria	EBD/85/123	05/10/85
Rwanda	EBD/85/290	11/13/85
Spain	EBD/85/230	09/03/85
Tunisia	EBD/85/282	11/01/85
Yugoslavia	EBD/85/78	03/19/85
Zambia	EBD/85/249	09/23/85

Source: Exchange and Trade Relations Department.

1/ Requests for extension issued in 1985.

2/ Request by Executive Director at EBM/85/154

Table 10. Size of Article IV Consultation Missions, 1981-85 ^{1/}

	1981	1982	1983	1984	1985 ^{2/}
(Number of missions)					
<u>All missions</u>	<u>88</u>	<u>106</u>	<u>130</u>	<u>123</u>	<u>134</u>
3 or less staff	5	4	4	4	2
4 staff	33	40	54	43	51
5 staff	43	45	50	53	62
6 staff	7	11	18	20	18
7 staff	--	6	4	2	--
8 staff	--	--	--	1	1
<u>African Department</u>	<u>20</u>	<u>32</u>	<u>37</u>	<u>37</u>	<u>43</u>
3 or less staff	1	--	1	2	--
4 staff	9	14	14	8	21
5 staff	9	18	15	22	18
6 staff	1	--	7	5	4
7 staff	--	--	--	--	--
8 staff	--	--	--	--	--
<u>Asian Department</u>	<u>13</u>	<u>21</u>	<u>21</u>	<u>20</u>	<u>21</u>
3 or less staff	1	1	1	1	--
4 staff	8	11	12	9	10
5 staff	4	3	4	6	6
6 staff	--	3	4	4	5
7 staff	--	3	--	--	--
8 staff	--	--	--	--	--
<u>European Department</u>	<u>16</u>	<u>17</u>	<u>28</u>	<u>20</u>	<u>23</u>
3 or less staff	--	--	1	--	2
4 staff	6	5	14	10	9
5 staff	9	6	9	7	11
6 staff	1	4	2	3	1
7 staff	--	2	2	--	--
8 staff	--	--	--	--	--
<u>Middle Eastern Department</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>13</u>
3 or less staff	1	--	--	1	--
4 staff	5	7	7	9	7
5 staff	6	3	4	1	6
6 staff	2	3	1	3	--
7 staff	--	--	1	--	--
8 staff	--	--	--	--	--
<u>Western Hemisphere Department</u>	<u>25</u>	<u>23</u>	<u>31</u>	<u>32</u>	<u>34</u>
3 or less staff	2	3	1	--	--
4 staff	5	3	7	7	4
5 staff	15	15	18	17	21
6 staff	3	1	4	5	8
7 staff	--	1	1	2	--
8 staff	--	--	--	1	1
Memorandum item:					
Average staff per mission ^{3/}					
African Department	4.5	4.6	4.8	4.8	4.6
Asian Department	4.2	4.8	4.5	4.7	4.8
European Department	4.7	5.2	4.7	4.7	4.5
Middle Eastern	4.6	4.7	4.7	4.4	4.5
Western Hemisphere	4.8	4.7	4.9	5.2	5.2
Total	4.6	4.8	4.7	4.8	4.7

Source: Administration Department.

^{1/} Excluding secretaries; EPs included in their assigned departments. Multiple missions in connection with the same consultation are counted as separate missions.

^{2/} Based on actual data through October 1985 and estimates prepared by the Administration Department for the remainder of 1985.

^{3/} Assuming that the smallest mission size is three staff members.

Table 11. Professional Staff Participation in Article IV Consultation Missions by Area and Functional Departments, 1981-85 ^{1/}

(Number of staff trips)

	1981	1982	1983	1984	1985 ^{2/}
<u>African Department</u>	<u>90</u>	<u>146</u>	<u>176</u>	<u>177</u>	<u>198</u>
AFR staff	61	97	119	119	144
Other staff	29	49	57	58	54
<u>Asian Department</u>	<u>55</u>	<u>101</u>	<u>95</u>	<u>92</u>	<u>100</u>
ASD staff	35	67	70	64	70
Other staff	20	34	25	28	30
<u>European Department</u>	<u>75</u>	<u>88</u>	<u>130</u>	<u>93</u>	<u>102</u>
EUR staff	66	74	116	85	93
Other staff	9	14	14	8	9
<u>Middle Eastern Department</u>	<u>65</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>58</u>
MED staff	50	50	50	53	49
Other staff	15	11	11	8	9
<u>Western Hemisphere Department</u>	<u>118</u>	<u>107</u>	<u>152</u>	<u>165</u>	<u>178</u>
WHD staff	101	85	117	126	134
Other staff	17	22	35	39	44
Total	<u>403</u>	<u>503</u>	<u>614</u>	<u>588</u>	<u>636</u>
Area departments	313	373	472	447	490
Functional departments	90	130	142	141	146
ETR	(41)	(60)	(59)	(50)	(62)
FAD	(30)	(41)	(46)	(47)	(51)
RES	(7)	(8)	(7)	(9)	(6)
CBD	(4)	(4)	(4)	(5)	(5)
STAT	(2)	(8)	(13)	(13)	(11)
Other	(6)	(9)	(13)	(17)	(11)

Source: Administration Department.

^{1/} Excluding secretaries; EPs included in their assigned departments.

^{2/} Based on actual data through October 1985 and estimates prepared by the Administration Department for the remainder of 1985.

Table 12. Country Items in Executive Board Meetings, 1981-85

	1981	1982	1983	1984	1985
Total number of Board meetings <u>1/</u>	190	211	203	202	205
Total number of country items	151	142	181	192	203
Consultations alone	59	62	75	93	103
Consultations combined with use of Fund resources <u>2/</u>	27	20	45	26	28
Use of Fund resources alone	51	52	50	46	36
Miscellaneous <u>3/</u>	14	8	11	27	36
Total Board hours	440	511	501	480	518
Total Board hours on country items <u>4/</u>	204 (46.4)	261 (51.1)	273 (54.5)	298 (62.1)	323 (62.4)
Of which:					
Consultations alone	84 (19.1)	108 (21.1)	95 (19.0)	139 (29.0)	170 (32.8)
Consultations combined with use of Fund resources	45 (10.2)	53 (10.4)	104 (20.8)	57 (11.9)	63 (12.2)
Use of Fund resources alone	71 (16.1)	94 (18.4)	70 (14.0)	82 (17.1)	63 (12.2)
Miscellaneous <u>3/</u>	4 (0.9)	6 (1.2)	4 (0.8)	20 (4.2)	27 (5.2)

Source: Secretary's Department.

1/ Comprising Board meetings, seminars, informal sessions, and meetings of the Committee of the Whole.

2/ Use of Fund resources covers approvals of stand-by and extended arrangements, reviews of such arrangements, CFF and other purchases, and modifications and waivers of performance criteria.

3/ Includes items such as schedule changes, notifications of changes in exchange arrangements, discussions of overdue financial obligations, etc., which are not included in the other three subcategories.

4/ Figures in parentheses indicate percentage of total Board hours.

Table 13. Length of Reports in Connection with
Article IV Consultations, 1981-85

	1981	1982	1983	1984	1985
<hr/>					
Staff reports <u>1/</u>					
Average length (pages)	14.3	16.4	18.8	20.6	21.2
Percentage distribution					
9 pages or less	7.6	8.7	2.5	0.8	--
10-14 pages	48.1	32.5	29.7	16.5	14.1
15-19 pages	34.2	32.5	29.7	36.4	37.8
20 pages or more	10.1	26.3	38.1	46.3	48.1
Reports on Recent Economic Developments					
Average length (pages)	90.1	88.7	95.1	99.5	103.6
Percentage distribution					
50 pages or less	5.1	6.3	5.9	1.7	3.2
51-60 pages	3.8	8.7	3.4	1.7	--
61-70 pages	11.5	8.7	5.9	11.0	7.2
71-80 pages	14.1	11.3	15.1	8.5	7.2
81-90 pages	16.7	15.0	13.4	13.6	12.0
91-100 pages	15.4	20.0	16.0	17.8	16.8
101 pages or more	33.3	30.0	40.3	45.8	53.6

Source: Exchange and Trade Relations Department.

1/ Main text only. Excludes decision and all appendices.

III. Aspects of Article IV Consultation Reporting

The reports of the G-10 and G-24 Deputies include several recommendations related to the focus or content of surveillance. In particular, both reports stress the need for taking into account all policies affecting trade, capital movements, external adjustment and the effective functioning of the international monetary system, including fiscal and monetary policies, structural policies and policies affecting openness to international trade flows. Both reports also note the need for analysis and assessments to be conducted in a medium-term framework. Other recommendations to strengthen the implementation of surveillance include providing more candid assessments and precise suggestions for policy changes, making clear both the empirical and analytical basis of policy judgments and differences of view between the staff and the authorities.

This section provides a review of current practices, as reflected primarily in a sample of staff reports for Article IV consultations concluded in 1985, ^{1/} as background for the discussion of the specific recommendations of the G-10 and G-24 Deputies. Current practices regarding the provision of quantified projections in staff reports are reviewed in Section 1, followed by a more detailed discussion in Section 2 of the analysis, assessments and recommendations in various areas of policy. Sections 3 and 4 provide, respectively, brief reviews of practices related to consultation follow-up and the coverage of issues related to the World Bank.

1. Projections

Staff reports normally include short-term projections of developments covering a wide range of variables. With few exceptions, staff reports for Article IV consultations in 1985 included such projections for the balance of payments and external debt, economic growth, inflation and the budget (Table 14). ^{2/} Staff reports for Article IV consultations with industrial countries also frequently included projections for wage developments, productivity and employment, as well as for savings, investment and other components of aggregate demand. Projections of the latter variables were less common in nonindustrial countries, reflecting in part the absence of a reliable or up-to-date

^{1/} The discussions of practices regarding quantification and exchange rate policies are based on a review of all staff reports for Article IV consultations concluded in 1985. The discussion on other aspects of policies is based on the review of staff reports for a sample of countries only. The sample includes all 18 industrial countries which concluded consultations in 1985 and 19 nonindustrial countries, including the 3-4 members with the largest Fund quotas within each geographical area.

^{2/} There were two reports for Article IV consultations in 1985 in which severe data constraints meant that short-term projections could not be provided for any of the major policy areas.

statistical base in these areas in many countries. Consultation reports for nonindustrial countries, on the other hand, typically included more detailed short-term projections of the balance of payments and of external debt and debt service than was the case for industrial countries. In a few cases (both industrial and nonindustrial countries), when assessments differed, independent staff projections were included in staff reports together with those of the authorities. Such a practice, not followed, however, in all cases where differences in assessment were apparent, helped clarify the nature and size of disagreements.

Projections of developments in monetary aggregates were less common, being included in only about half of the reports (both for industrial and nonindustrial countries). Projections for some money/credit aggregates were included in 54 percent of the reports for nonindustrial countries while projections or target ranges were included in 8 of 18 reports for industrial countries. ^{1/} This may have reflected to some extent the difficulty of preparing reliable forecasts, in part as a result of structural changes which have increased the difficulty of interpreting developments in monetary aggregates in many countries.

Consistent with the recommendations of Executive Directors during the reviews of surveillance in both 1984 and 1985, the inclusion of medium-term scenarios in staff reports has become increasingly common and the breadth of such scenarios has increased. There were also a number of cases in which reports contained an extensive discussion of medium-term prospects (external and internal) across a wide range of policy areas, even though there was only limited quantification of the analysis. The external sector, including the outlook for the balance of payments and for external debt and debt service, was the focus of nearly all medium-term scenarios. Eighty-seven percent of staff reports for Article IV consultations in 1985 included medium-term scenarios (compared with about 75 percent in 1984), a significant increase over earlier years (Table 15). Scenarios were included in reports for all but three of the industrial countries and for 99 of the 113 other countries concluding consultations in 1985. In most cases, the scenario covered a period of 4-5 years beyond the end of the year in progress. Projections for longer periods were included in a few instances.

Scenarios frequently (though not always) specified underlying assumptions about various components of the balance of payments, economic growth, and international price and interest rate developments, as well as (although less frequently) additional factors including the budget, the rate of inflation, or the level of investment. The presentation of alternative scenarios or an analysis of the sensitivity of the results to variations in major assumptions was a feature of nearly all industrial country reports containing medium-term projections for the external sector and of about half of the reports for nonindustrial countries. Alternative scenarios for the industrial countries

^{1/} In the cases in which targets were provided, however, it was not always clear that the targets were expected to be met.

frequently included a different assumed rate of growth (generally reflecting, in some cases implicitly, a different assumed stance of major policies). In the case of nonindustrial countries, alternative assumptions on exogenous variables (often the price of a major export or the level of international interest rates) were more common.

There was considerable variation among reports in the extent to which the assumptions regarding policies were presented explicitly. Some policy assumptions, typically reflecting a continuation of the current stance of policies, were explicit in about half of the reports in which medium-term scenarios were provided. In some instances, however, there was a clear indication that extensive policy changes had been assumed, but the nature of these changes was often described in only very general terms (e.g., "pursuit of appropriate adjustment policies"). Only in a few cases (e.g., United States) was there an extensive discussion of both the policy assumptions and the exogenous parameters underlying the scenario. It was unclear in many reports whether or not the medium-term scenario had been discussed with the authorities, and whether or not they agreed with the results.

2. Policy coverage

The content of Article IV consultation reports has continued to be adapted in recent years to sharpen the focus of analysis on emerging problems faced by members and to reflect concerns related to the evolution of the international economy. In particular, the close attention paid to the appropriateness of members' exchange rate policies has continued. Given their importance for the overall balance of payments, domestic financial policies have always been given special attention in such assessments. There has also been an increasing emphasis in staff reports on trade policies and on issues of structural adjustment, including, in particular, policies to eliminate institutional rigidities and to increase the efficiency of labor markets, as well as general wage and price policies.

a. Exchange rate policies ^{1/}

The trend noted in earlier annual reviews of the implementation of surveillance of including more explicit assessments of exchange rate policies in Article IV staff reports was continued in 1985. Most staff reports issued in 1985 commented on the appropriateness of the exchange rate or exchange rate policies. The few exceptions (11 cases) were reports for members of currency unions.

^{1/} For ease of presentation, individual policy areas are discussed under separate headings in this chapter. This approach does not, however, allow the many interdependencies between various areas of policy to be reflected fully. This is the case, in particular, for exchange rate policy which cannot be assessed independently of the stance of policies in other areas.

In most countries, key factors highlighted in the analysis of exchange rate policy were the strength of the overall balance of payments and its components (in several cases, taking explicitly into account both the short- and longer-term outlook), and trends in the real effective exchange rate index (Table 16). Developments in real effective exchange rates were examined in 89 percent of cases. In more than one third of the reports, the analysis of such broader indicators of competitiveness was supplemented by a discussion of the competitiveness or profitability of particular tradable goods or sectors; this was more often the case for nonindustrial countries, for which dependence on one or a few sectors is more common. Such analysis was of particular importance in the evaluation of exchange rate policy for a number of major oil producing countries, where developments in the profitability of the non-oil sector were judged to be a critical indicator of the adequacy of the exchange rate. The analysis of the appropriateness of the exchange rate also frequently included a review of the relationship between the restrictiveness of the exchange and trade system and the exchange rate. Finally, developments in legal or unofficial parallel exchange markets were carefully examined, where these were relevant.

The exchange rate policies of members were commended in 32 staff reports issued in 1985, while assessments were neutral in 14 cases and the policies followed, taking into account developments and policies in other areas, were questioned in 74 cases (Table 17). The broad distribution of assessments, ranging from critical at one end to favorable at the other end, was thus similar to that in 1984 when exchange rate policies were commended in 21 cases, but questioned in 67 cases. The 1984 review noted that one reason for the generally critical approach taken in staff reports had been the number of currencies that were either pegged to the U.S. dollar or in practice showed limited flexibility against it despite the dollar's general strength. This continued to be the case in 1985, as exchange rate policies were questioned in 90 percent of those cases where members maintained an unchanged peg to the U.S. dollar.

Beyond general assessments of the appropriateness of the level of the exchange rate, several reports commented on the appropriateness of exchange arrangements. In particular, several reports suggested that a move to a more flexible exchange arrangement might be considered, including pegging to a basket. In a few cases, where pegging to an inappropriate currency basket had resulted in an unwarranted real effective appreciation, the staff recommended adopting a different basket in combination with a currency depreciation.

b. Fiscal policies ^{1/}

Analyses and assessments of the appropriateness of fiscal policies were included in nearly all Article IV consultation reports in 1985 and

^{1/} Based on the sample of staff reports for 37 members concluding consultations in 1985.

were particularly specific. In most cases this reflected the importance attached to reducing fiscal deficits, which have persisted in many countries following large increases in the late 1970s. In several of these cases, despite progress recently achieved in lowering fiscal deficits, the need for a further reduction was emphasized. The focus of the discussion was generally the accounts of the central government (Table 18), supplemented by an analysis of developments at other levels of government (more common in the industrial countries) and of public enterprises (more often the case in nonindustrial countries). Cyclical effects or the influence of special factors or transactions (e.g., the impact of North Sea oil on the United Kingdom budget) were discussed explicitly in more than half of the reports for industrial countries, although the impact of these factors was not always quantified; detailed discussions of the influence of such factors on fiscal developments were less frequent in the reports for nonindustrial countries included in the sample.

The sustainability of the stance of fiscal policy over the medium term provided the background for the policy discussions in a majority of the consultations for both industrial and nonindustrial countries (though less frequently in the latter). Considerations relating to the sustainability of the deficit or of specified items of revenues and expenditures were also raised in several other cases in which overall fiscal developments were not analyzed explicitly in a medium-term framework. The frequent adoption of a medium-term framework reflects in part the practice in many countries in recent years of establishing medium-term fiscal targets. Typically, in those cases in which the authorities had established medium-term fiscal targets, the targets provided a basis against which to assess recent developments and policy intentions. In only a few cases (e.g., Canada, United States, Mexico), however, were the medium-term fiscal targets or outlook analyzed explicitly within an overall savings/investment framework.

The nature of the fiscal policy recommendations contained in the staff reports varied considerably across members, ranging from general statements about the desired direction of change in the overall deficit to relatively detailed suggestions for revenue measures or expenditure cuts. A review of assessments of the stance of members' fiscal policies in staff reports for countries included in the sample indicates that assessments were typically candid. While expressed so as to take account of the sensitive nature of the issues involved, assessments for the 37 countries in the sample reflected some degree of criticism of policies in 23 cases, including 11 cases in which assessments could be considered strongly critical. Typically, for countries in this latter group, staff assessments stressed the need for strong and early measures to achieve a sustained reduction of large or widening deficits. The significance of such assessments differed from country to country depending on whether the authorities agreed with the need for action and, in some cases, may already have set objectives for medium-term adjustment. However, while typically clear about the direction of adjustment required in those cases in which some criticism had been lodged, few of these reports provided quantified assessments of the size

of the adjustment needed. In some cases, a more forceful presentation, including a somewhat greater degree of quantification, could have helped highlight the importance of problems identified.

In all cases where the fiscal deficit was judged to be too large, a reduction in expenditures was recommended. The use of complementary revenue measures was also recommended in many cases. In only a few cases were specific items of expenditure identified for reduction, and these mostly in nonindustrial countries (e.g., wages and subsidies). In a few instances, again mostly in nonindustrial countries, specific recommendations to strengthen the tax base were made, such as broadening the coverage of taxation to non-oil activities and strengthening tax administration.

Although the assessments contained in the reports frequently called for further adjustment, there was a considerable measure of agreement between the staff's views and those of the authorities in such cases. Differences of view tended to center on the speed of adjustment required or on the appropriateness of specific recommendations, rather than on the need for adjustment in general. More serious differences of view arose on a few occasions as the authorities emphasized the impact on already high levels of unemployment of withdrawing fiscal stimulus.

c. Monetary policies 1/

Monetary developments and policy were given prominent attention in most staff reports for Article IV consultations in 1985 (Table 18). Discussions typically focused on the consistency of monetary policy with the objective of reducing the rate of inflation or sustaining low rates that had already been achieved and on the impact of credit expansion on the balance of payments. References to the international repercussions and linkages of monetary policy were discussed mainly in the case of industrial countries, usually in the context of an analysis of the impact of high interest rates or of considerations related to the need for coordination of policies with other countries under the EMS arrangement.

Of the 18 consultations concluded with industrial countries, 17 reports focused explicitly on the behavior of one or more monetary aggregates. 2/ In most of these cases, the reports included explicit assessments and recommendations about the rate of growth of monetary aggregates. Frequently, for countries which target monetary aggregates, the assessment related to observance of the targets. Detailed analysis of the appropriateness of the targets themselves were less frequent; in some cases, this reflected an explicit endorsement of the targets by the staff.

1/ Based on the sample of staff reports for 37 members concluding consultations in 1985.

2/ For Luxembourg, the openness of the economy and monetary association with Belgium preclude an independent monetary policy.

The behavior of money or credit aggregates received considerable attention in nonindustrial countries also, being discussed in 17 of the 19 cases reviewed. There were fewer explicit assessments of the appropriateness of monetary growth, but this may reflect the primary focus on controlling credit in these economies, many of which operate with fixed or less than fully flexible exchange rates. Staff reports for nonindustrial countries also frequently paid particular attention to issues concerning the allocation of credit, notably the share of credit expansion preempted by the financing needs of the public sector.

Structural changes in the financial system and their implications for policy were also frequently discussed. The discussion in the case of industrial countries generally focused on the effect of financial deregulation on monetary aggregates, as several countries abandoned or considered abandoning strict monetary targetting as a guide to policy. A few reports (e.g., Canada, Denmark, United States) included a detailed analysis of the stability of the relationship of selected monetary aggregates to underlying determinants. Such analysis helped clarify the basis for assessments of the feasibility of monetary targetting in prevailing circumstances.

Beyond the behavior of aggregates, the adequacy of monetary statistics and the instruments of monetary policy were frequently commented on, leading to recommendations in several cases that some policy and/or institutional changes were warranted. Interest rate policy, in particular the adequacy of the level of interest rates, was examined carefully in most cases where rates are set administratively. Other recommendations included stressing the need for more timely and accurate statistics (e.g., Algeria and Zaire); broadening the range and effectiveness of instruments of monetary or credit control (e.g., Algeria, Egypt, Indonesia); and tighter control on the lending activities of specialized banks (e.g., China).

The same general comments concerning the specificity and candid nature of assessments, noted earlier for assessments of fiscal policy, apply in the case of money/credit policies as well. Favorable assessments regarding the current and anticipated rates of growth for broad money/credit aggregates were frequently tempered by observations that significant further progress was needed toward improving the functioning of financial markets. Overall, assessments for countries in the sample reflected some degree of criticism in 19 cases, including four cases in which assessments could be considered strongly critical. In these latter cases, the circumstances were typically those in which a substantial tightening of money or credit policies was needed to reduce balance of payments pressures or inflation.

The staff reports noted that members were not always in agreement with the staff's assessment. Differences in this area frequently reflected divergent views concerning the appropriate rate of growth of nominal aggregate demand and money or differences in interpreting the effects of money growth on economic activity (particularly when deregulation of the financial system was believed to have affected the

behavior of money or near-money). In several instances, particularly in industrial countries, the staff reports also noted differences of view with the authorities concerning the relative contribution of domestic (typically, continuing fiscal deficits) and external factors to the persistence of high real rates of interest.

d. Structural policies ^{1/}

The increasing recognition in recent years of the contribution of structural rigidities to impeding the recovery of economic activity, employment and trade has led to a sharply strengthened focus on structural issues in staff reports, both for industrial and nonindustrial countries. Discussions of structural issues covered diverse areas of policy. For industrial countries, reflecting the persistence of high rates of unemployment in several countries, the examination of structural issues was frequently focused on labor markets. For nonindustrial countries, the issues examined typically reflected a broader range of concerns, including inefficiencies in both the goods and financial markets.

Assessments and policy recommendations in industrial countries focused, in particular, on reducing employment costs through the removal of regulatory constraints and other impediments to the efficient operation of labor markets. Such policy recommendations included the modification of indexation practices (e.g., Australia, Italy, Luxembourg and Spain); the reduction or abolition of employment-based taxes (e.g., Spain and Sweden); and the adjustment of minimum wages, especially of entry-level wages (e.g., France, Italy and Mexico). Other specific recommendations included the reform of legal frameworks inhibiting the flexible hiring or management of the work force (e.g., France, Italy, Netherlands, South Africa and Spain); and reforms of the tax/subsidy structure to increase work incentives or labor mobility (e.g., Ireland, Netherlands).

The adjustment of specific prices or broader reforms of domestic pricing systems were typically central to policy recommendations aimed at improving the smooth functioning of goods markets. Although energy prices have already been adjusted substantially in most countries in response to earlier large increases in world prices, specific recommendations for further adjustment of domestic energy prices or to maintain realistic prices still were included in 1985 in staff reports for Article IV consultations with several countries (e.g., Brazil, Canada, China, Egypt, Italy, Kuwait, ^{2/} Nigeria). The need for remunerative producer prices in support of efforts to promote production and exports were reflected in recommendations for adjusting specific prices or a broad range of such prices in several cases (e.g., Algeria, Egypt and Nigeria). Other recommendations for adjustment of specific prices

^{1/} Based on the sample of staff reports for 37 members concluding consultations in 1985.

^{2/} Electricity.

included certain basic consumer goods (e.g., Egypt, Morocco), and fertilizer (Indonesia). Recommendations were also made in several cases for broader reforms of pricing systems aimed at increasing the flexibility and rationality of prices, frequently related, in particular, to prices for goods and services provided by public enterprises (e.g., Algeria, Brazil, China, Egypt, Hungary, Mexico, Morocco, Zaire).

Recommendations aimed at improving the efficiency of goods markets also frequently included measures to strengthen the operations of public enterprises. Such recommendations included the reduction of labor hoarding (e.g., Austria); the reduction of subsidies to unprofitable enterprises (e.g., Egypt and Hungary); and reforms or reassessment of public sector investment programs (e.g., Egypt, Malaysia and Morocco).

In several cases, recommendations were directed at improving the profitability or regulatory framework to promote efficient investment and industrial diversification. Specific recommendations included the relaxation of trade or payments restrictions (e.g., Algeria, Egypt, Hungary, India, Mexico and Nigeria); the reduction of rigidities in the planning system limiting private activities (e.g., Algeria); and the relaxation of restrictions on foreign investment (e.g., Kuwait).

Analyses and assessments of the impact of government regulations or restrictions were also reflected in several cases in specific recommendations aimed at improving the functioning of financial markets. Such recommendations included: the elimination of specified institutional constraints to a further liberalization of the financial system (e.g., Japan); improvements in financial intermediation (e.g., Hungary and Saudi Arabia); narrowing the scope and insulation of regulated markets (e.g., Finland); reducing the reliance on or rigidity of quantitative controls (e.g., France, Morocco, and Yugoslavia).

Frequently, staff reports indicated the broad agreement, at least in principle, of the countries' authorities with the assessments and policy recommendations in structural areas, particularly regarding the need for wage flexibility and measures to improve the efficiency of labor markets. In several cases, initial steps had been taken to address the problems identified. However, a gradual approach was frequently judged necessary by the authorities, especially where changes in legislation or practices required the emergence of a social consensus. Similar issues were frequently raised in connection with recommendations for reform of financial systems. Agreement was less frequent on the need for more flexible pricing policies, reforms of exchange and payments systems and recommendations for specific trade liberalization. Concerns were often expressed that such reforms would increase inflationary pressures or, in the case of trade restrictions, that their removal would further strain balance of payments difficulties or already depressed employment possibilities in affected sectors.

e. Trade policies ^{1/}

The coverage of trade policies in reports has increased sharply in recent years. Such policies were discussed in most of the staff reports for countries in the sample. In some cases, assessments were supported by extensive documentation of the major legislation and there have been increasing attempts at quantification of the impact of such policies (e.g., Australia, Japan and United States). Quantification, however, has been the exception rather than the rule, reflecting to some extent the inherent difficulties in this area, including the absence of well documented information on the extent of restrictions.

Assessments and recommendations concerning trade policy included both general recommendations to avoid or reverse protectionist measures as well as recommendations about specific aspects of a member's policy. In several cases, where protectionist policies have been widespread for many years, staff reports have urged a general reduction in the extent of these policies and a greater reliance on the price mechanism, supported by realistic exchange rate policies, to allocate resources. Such recommendations included, in particular, liberalizing the system of import licensing and exchange controls, and lowering and rationalizing import tariffs and quantitative restrictions (e.g., Algeria, China, Indonesia, Morocco and Nigeria). In several nonindustrial countries (e.g., Mexico, Hungary and Pakistan), recommendations were directed at phasing out reliance on quantitative restrictions and encouraging a greater use of tariff policy, or at lowering tariff rates. This included consolidating recent progress in tariff reform, establishing or extending a list of commodities which could be imported freely and reducing restrictions on trading rights which limited trading authority to certain state enterprises. In other cases, where measures have been taken to limit certain imports or promote particular exports, for example, staff reports have commented on the desirability of action in these areas.

Specific assessments of trade policies were also included in several staff reports for industrial countries. Staff reports noted in a few cases that recent measures intensifying restrictions or increasing or broadening the scope of subsidies to domestic sectors were at odds with the members' expressed intention to pursue more open trading policies (e.g., textiles, footwear and automobiles in the case of Canada; and voluntary restraints on steel exports in the case of the United States). In the case of Japan, the importance of reducing agricultural protection, removing remaining barriers to manufactured imports and improving the transparency of regulations that affect imports were stressed. The staff report for the United States noted the need to resist protectionist pressures: to the extent that the exchange rate reflected the fiscal situation, correction of the latter would be the

^{1/} Based on the sample of staff reports for 37 members concluding consultations in 1985.

most appropriate way to alleviate the difficulties of domestic producers; to the extent that the strength of the dollar reflected other factors, such as a favorable climate for investment and safe-haven effects, the appropriate response would be to allow adjustment and not impose trade barriers.

In accordance with suggestions made by Executive Directors, individual staff reports on members of the European Community have examined both a member's trade measures at the national level and policies resulting from Community membership. In selecting the issues to be highlighted with respect to the latter in an individual report, the staff has focused on policy areas that appear to be of particular relevance for the member in question. For example, the application of subsidies and quotas, and the related policy stance of the individual member in sectors such as agriculture, steel, coal, ships, aircraft, and electronics, have been variously featured in the reports on France, Germany, and the United Kingdom. In some cases, the staff report proposed a removal or reduction in the intensity of such measures, or encouraged their reformulation to take better account of domestic adjustment needs and the interests of trading partners. In formulating the recommendations in staff reports, the staff has endeavored to emphasize both the need to maintain or improve open, liberal policies at the national level and, in the case of the major Community members, for the authorities to assume a stronger leadership position within the Community to promote liberalization in the common external policy.

f. Other

Several other issues or policies received frequent attention in staff reports for Article IV consultations. For many of these, related issues and Fund policies and practices are reviewed in detail in periodic reports to the Executive Board.

Staff reports typically include a detailed review and discussion of practices subject to Fund jurisdiction under Article VIII. All such actions are subject to Fund approval and generally require a specific Executive Board decision to that effect. Typically, staff reports include specific language appraising the policies regarding exchange restrictions and multiple currency practices as a basis for the recommendation of approval or nonapproval by the Executive Board. Related issues and policies have been discussed in detail in several staff papers issued to the Board on a periodic basis: including "Review of Bilateral Payments Arrangements, 1976-1981," SM/82/169 (8/17/82), "Review of Experience with Multiple Exchange Rate Regimes," SM/84/64 (3/19/84), and "External Payments Arrears of Fund Members, 1982-83," EBS/84/155 (7/30/84).

In addition to the discussion of the sustainability of trends in the growth of external debt and debt service which were, in most cases, the explicit focus of analyses of medium-term prospects (see section III. 1 above), staff reports for Article IV consultations addressed several other issues related to external debt management.

These included the appropriateness of monitoring and approval procedures and the appropriateness of terms for the contracting of new debt. Some discussion of developments in this area and related issues was included in more than half of the reports for nonindustrial countries resulting, in several cases, in specific recommendations for improvements in debt management policies. These ranged from the elaboration of steps necessary to improve reporting and approval procedures to recommendations to avoid nonconcessional financing or to tailor the terms of new lending more closely to the gestation period of projects. General issues related to external debt policies and management were discussed in detail in 1985 at EBM/85/45 and EBM/85/46 on the basis of staff papers on "Developing Countries' External Indebtedness to Commercial Banks," SM/85/61 (2/20/85) and "Developing Countries' External Indebtedness to Official Creditors," SM/85/62 (2/21/85).

Staff reports for Article IV consultations also typically include statements on statistical issues. Following the Board meeting on "Review of Fund Statistics" (EBM/85/71, 5/6/85), staff reports for Article IV consultations have included an appendix on statistical issues covering the status of the country's data in IFS. In addition, staff reports include explicit references, as appropriate, to the quality of statistics used in reports and to major statistical problems affecting the analysis. Related issues will be the subject of further discussion by the Board in the near future ("Review of the Fund's Statistics," currently scheduled for mid-March 1986).

3. Consultation follow-up

The effectiveness of the Article IV consultation process is determined, in part, by the extent to which it influences policy decisions in member countries. This, in turn, is partly a function of the attention that policy makers give to discussions with the Fund. Staff missions met with government officials at the Ministerial level in connection with 112 (85 percent) of the consultations concluded in 1985; in a number of these cases, the mission also met with the head of Government.

The actual impact on policy is difficult to assess. One indication of such influence of the consultation process is the extent to which policies were consistent with previous recommendations. For this reason, the practice was adopted in recent years of including a summary of the Fund's conclusions from the prior consultation in staff reports for Article IV consultations. This practice has not, however, yet been fully implemented in all staff reports. Forty-four percent of staff reports for Article IV consultations in 1985 included such a summary. Another five percent of reports, while not including a complete summary, referred to certain elements highlighted in an earlier consultation in connection with the discussion of specific areas of policy. In most cases, the summary took the form of a brief paragraph near the beginning of the report, noting the views previously expressed by Directors, with major issues sometimes again highlighted in the section of the report discussing the relevant policy areas.

In several cases, the subsequent implementation of policies consistent with the recommendations at the conclusion of an earlier consultation was noted. Conversely, some staff reports noted explicitly continuing discrepancies relative to policies advocated in the previous Article IV consultation. However, explicit references of the latter type were rare. Typically, the analysis and discussion of developments in staff reports, against the background of the summary of the previous Board discussion (in those cases where such a summary was included), left it to the reader to assess the importance of continuing differences as regards specific recommendations as well as in terms of the overall stance of a member's policies.

4. Reporting on World Bank activities

In their recent discussion of ways in which enhanced collaboration between the Fund and the World Bank could be more effective in helping member countries to resolve their problems, 1/ Executive Directors indicated that the Fund should extend and deepen the discussion in staff reports of the Bank's involvement in a given country. Against this background, this section describes the coverage of these issues in staff reports for Article IV consultations concluded in 1985. Only explicit references to the World Bank are reported. 2/

Relations with the World Bank were described in some form in virtually all 1985 reports for countries that had outstanding loans from the Bank; there was generally no reference to the Bank in other cases (Table 19). A statement of the amount and sectoral distribution of outstanding borrowing from the Bank, along with a description of other aspects of financial relations, was provided in staff reports for about three-fourths of all the nonindustrial countries, generally in the form of an appendix to the main report. The impact of Bank loans and technical assistance in enhancing the effectiveness of policies and facilitating their implementation was also explicitly commented on in about a third of the reports. Many of these described in some detail the policy conditionality of one or more bank loans.

Views of the Bank staff on major policy issues were also frequently reported. This was most common with regard to views on the level and composition of the investment program, which were described in reports for nearly half of the nonindustrial countries. Descriptions generally took the form of a brief reference to the general agreement or disagreement of the Bank staff with the thrust of the investment program. In a few cases, comprehensive statements prepared by the Bank staff on their overall policy views and the objectives of their lending program were also included (e.g., Egypt, Uganda and Zaire).

1/ At EBM/84/170-171 (11/28/84). The Chairman's Summing Up was circulated as Buff 84/195 (12/6/84).

2/ It should be noted that, in many cases, collaboration between the two institutions has resulted in the incorporation of Bank views into the report without explicit reference.

Technical aspects of collaboration between the staffs of the two institutions were also reported in many cases. While collaboration between the two institutions results in the taking into account of Bank policy views across a wide range of issues, the technical work of the Bank staff or the results of technical studies supported by Bank loans were cited explicitly as the basis for Fund staff policy views in reports for more than a quarter of all nonindustrial countries. Recommendations on the tariff structure, pricing policies of public enterprises, and specific investment projects were the most common policy areas in which this occurred. Finally, there were also 12 cases in 1985 in which one or more Bank staff members participated in the Fund staff mission for the consultation discussions.

Table 14. Short-Term Projections in Reports
for Article IV Consultations in 1985 1/

	Industrial Countries	Nonindustrial Countries	All Countries
	<u>(Number of Reports)</u>		
Reports with short-term projections (percent of total)	18 (100)	111 (98)	129 (98)
Reports without short-term projections	—	2	2
Total reports	<u>18</u>	<u>113</u>	<u>131</u>
	<u>(In percent) 2/</u>		
Coverage of projections			
Balance of payments	94	98	98
External debt and debt service	56	90	85
Economic growth	100	86	88
Inflation	100	74	78
Savings and investment	100	46	53
Fiscal accounts	94	93	93
Monetary aggregates	44	54	53
Employment	67	5	13
Wages	44	5	11
Productivity	22	2	5
Other	17	63	57

Source: Exchange and Trade Relations Department.

1/ Short-term projections are defined as forecasts for periods of approximately one year or less from date of staff mission.

2/ As percent of reports including short-term projections.

Table 15. Medium-Term Scenarios in Reports
for Article IV Consultations in 1985

	Industrial Countries	Nonindustrial Countries	All Countries
	<u>(Number of Reports)</u>		
Reports with medium-term scenarios (percent of total)	15 (83)	99 (88)	114 (87)
Reports without medium-term scenarios	3	14	17
Total reports	<u>18</u>	<u>113</u>	<u>131</u>
	<u>(In percent)</u> <u>1/</u>		
Coverage of scenarios			
Balance of payments	80	96	94
External debt and debt service	80	92	90
Economic growth <u>2/</u>	67	63	63
Inflation <u>2/</u>	33	26	27
Savings and investment	20	10	11
Fiscal accounts	47	13	18
Monetary aggregates	13	1	3
Other	27	34	33
Alternative scenarios	87	47	53
Economic growth rate	60	9	17
Other <u>3/</u>	53	45	46

Source: Exchange and Trade Relations Department.

1/ As percent of reports with scenarios.

2/ Typically, assumptions.

3/ Includes cases with discussion of sensitivity to alternative assumptions of one or more variables included in scenario.

Table 16. Exchange Rate Policy Discussion in Reports
for Article IV Consultations in 1985

(In percent of total reports) 1/

	Industrial Countries	Nonindustrial Countries	All Countries
Coverage of analysis			
Balance of payments	89	66	69
Effective exchange rate index	100	95	95
Of which: nominal index only	(--)	(7)	(6)
Profitability of major commodity or sector	22	43	40
Parallel exchange market developments	6	26	23
Restrictiveness of exchange and trade system	22	46	43
Other	39	27	28

Source: Exchange and Trade Relations Department.

1/ Based on reports for all consultations concluded in 1985.

Table 17. Views on Exchange Rate Policies in Staff Reports
for Article IV Consultations Concluded in 1985

(Number of Reports)

	Favorable	Neutral	Mildly Critical	Strongly Critical	No Assessment	Total
All consultations	32	14	34	40	11	131 <u>1/</u>
Of which:						
Program countries <u>2/</u>	(11)	(4)	(10)	(2)	(6)	(33)
Distribution by country classification and exchange arrangement						
Industrial	9	5	3	1	--	18
Pegged <u>3/</u>	(5)	(4)	(2)	(--)	(--)	(11)
More flexible	(4)	(1)	(1)	(1)	(--)	(7)
Nonindustrial	23	9	31	39	11	113
Pegged <u>3/</u>	(15)	(3)	(24)	(38)	(11)	(91)
More flexible	(8)	(6)	(7)	(1)	(--)	(22)

Source: Exchange and Trade Relations Department.

1/ Includes two consultations for three members and a separate consultation with the Netherlands Antilles.

2/ Countries with upper tranche stand-by arrangements or extended arrangements in place at the time of the conclusion of the 1985 consultation.

3/ Includes "Flexibility Limited".

Table 18. Analytical Coverage of Fiscal and Money/Credit
Policy in Reports for Article IV Consultations in 1985

(In percent of sample reports) 1/

	Industrial Countries	Nonindustrial Countries	All Countries
Coverage of fiscal analysis			
Central government	100	100	100
Other levels of government	83	47	65
Public enterprises	44	74	59
Other <u>2/</u>	50	32	41
Cyclical factors	67	11	38
Special factors or transactions	28	11	19
Coverage of monetary analysis			
Monetary aggregates	94	89	92
Credit expansion	39	89	65
Interest rates	94	95	95
Credit allocation	22	53	38
Other policy instruments	56	68	62
Financial innovation or structural change	72	74	73
Monetary targeting	67	11	38
Other	33	21	27

Source: Exchange and Trade Relations Department.

1 Based on reports for a sample of 37 countries concluding consultations in 1985.

2/ Includes social security system and other decentralized agencies.

Table 19. References to World Bank in Reports for
Article IV Consultations with Nonindustrial
Countries in 1985 1/

(In percent of total reports)

	Nonindustrial Countries
No reference to Bank	12 <u>2/</u>
Summary of financial relations	75
Technical assistance role	35
Policy conditionality of loans	21
Evaluation of investment program	37
Comprehensive policy views	8
Explicit basis for Fund staff views	26
Mission participation	11

Source: Exchange and Trade Relations Department.

1/ There was no reference to the World Bank in any of the reports for Article IV consultations with industrial countries in 1985.

2/ Of the total of 14 nonindustrial country reports with no reference to the World Bank, six were for countries for which no Bank loans were outstanding.

IV. Monitoring of Exchange Rates and Exchange Arrangements

A basic element of surveillance is the monitoring of developments in exchange rates and exchange arrangements. This section describes the implementation of practices with respect to such monitoring in 1985.

1. Periodic reviews

Several periodic reports were issued as usual in 1985 which provided a comprehensive description of each member's exchange arrangements and of changes in these arrangements. The main such report was the Annual Report on Exchange Arrangements and Exchange Restrictions. In addition, quarterly papers to the Executive Board summarized developments in members' exchange arrangements, listed the latest classification of exchange arrangements and indicated changes in members' exchange rates, including those following more flexible arrangements. Summary tables on exchange arrangements were also provided in International Financial Statistics.

Other regular reports included monthly charts on exchange rates and related developments; (daily, weekly and monthly) reports on developments in foreign exchange and financial markets; and quarterly reports on real effective exchange rates.

2. Information notice system

The information notice system is designed to monitor the real effective exchange rates of member countries. ^{1/} At present, real effective exchange rates are monitored for 125 currencies. For 29 members, real effective exchange rate indices are still not available. For most of these countries, available price data are rather sketchy or no price index of any kind is available.

Information notices are issued to the Executive Board when changes in a member's real effective exchange rate since the last occasion on which the Board had an opportunity to consider the member's exchange rate policy exceed 10 percent. In 1985, there were 30 information notices. This compares with 19 notices in 1984 and 6 notices between April 1983 (when the system was initiated) and December 1983. As indicated in Table 20 information notices for nonindustrial countries predominated in all three years. There have been only three information notices for two industrial countries and these occurred in 1985. ^{2/}

^{1/} The background paper to last year's annual review of surveillance (SM/85/65, Supplement 1) provides a detailed description of the operation of the information notice system, as well as the exchange rates, weighting system, and price indices used in the INS. There have been no major changes in INS methodology since then. A new weighting system is scheduled to be introduced in the near future.

^{2/} The two information notices on the United Kingdom were for movements in opposite directions, a real effective depreciation notified on 3/5/85 and a real effective appreciation notified on 8/26/85.

In 1983 and 1984 most information notices were issued for members whose currencies were pegged to a single currency, but in 1985 the notices were approximately evenly divided between those countries with pegged exchange rates and those with more flexible arrangements, mostly following independent floats.

Ten of the 30 information notices issued in 1985 were triggered by a real effective depreciation. In seven of these cases, the depreciation in real effective terms reflected primarily downward pressure on an exchange rate (unified or as part of a multiple rate system) determined by market forces. In one case (Peru), the real effective depreciation resulted from a policy of accelerating the rate of nominal depreciation against the U.S. dollar, while in the cases of Ethiopia and Swaziland the currencies depreciated as a result of a weakening of the currencies to which they are pegged (respectively, the U.S. dollar and the South African rand).

Of the 20 information notices issued for countries whose currencies had appreciated in real effective terms, nine were for countries with currencies pegged to the U.S. dollar, one was a case in which the currency was pegged to the SDR and one was for a currency pegged to another basket. In these 11 cases, the major factors underlying the real effective appreciations were domestic inflation in excess of major trading partners, and in some cases, the strength of the U.S. dollar. Information notices issued for the remaining nine countries with more flexible exchange arrangements (including six countries with freely fluctuating exchange rates) stemmed mainly from an appreciation of the currency in response to a strengthening of underlying confidence (including a few cases where the adjustment policies leading to the strengthening confidence were supported by the use of Fund resources). The information notice for the United States pointed to a number of factors which had resulted in a sustained strengthening of the U.S. dollar.

3. Monitoring of exchange rate and restrictive system policies in member countries

As in 1984, the widespread need for adjustment of exchange rate policies in 1985 was reflected in the fact that there were 48 notifications to the Executive Board of changes in exchange arrangements (of which 32 related to discrete changes in exchange rates), in accordance with Article IV, Section 2(a), and 27 notifications of changes in restrictive exchange systems in accordance with Article VIII, Section 5(xi). The corresponding figures for 1984 were 51 and 29, respectively.

a. Notification of changes in exchange arrangements

As noted in SM/82/44 "Exchange Arrangements Maintained by Members" and the subsequent annual surveillance reviews, about one fifth of the changes in exchange arrangements notified to the Fund by members and reported to the Executive Board in separate papers have generally resulted in a change in the classification of the arrangements according to the degree of their flexibility. The remainder have normally dealt with changes in the exchange rate vis-à-vis the peg or intervention currency, or other changes in arrangements not leading to reclassification. In 1985, the pattern of notifications of changes in exchange arrangements was similar. Of the total of 48 changes notified in 1985 (Table 22), 10 resulted in a change in the classification of the member's exchange arrangement, including 3 instances of discrete changes in exchange rates in combination with the change in classification. ^{1/} Twenty-six notifications represented discrete changes in members' exchange rates which did not entail a change in the classification of the arrangement. Other notifications related to various modifications including changes in the frequency with which the exchange rate is adjusted, the introduction of new currencies, changes in the calculation of a currency basket, and changes in multiple exchange rates (including in one case, discontinuance of an internal settlement rate).

Seven of the ten changes in the classification of members' exchange arrangements in 1985 represented a continuation of the trend noted in recent years toward greater flexibility in members' exchange arrangements. Two nonindustrial countries and one industrial country adopted independently floating exchange rates and, concurrently, liberalized their exchange and trade systems. In addition, three countries moved from the de facto pegging category of "Limited Flexibility in Terms of a Single Currency" (the U.S. dollar in two instances) to a currency basket other than the SDR, and one country moved from a currency peg to a managed float. ^{2/}

As of September 30, 1985, 32 percent of Fund members were maintaining more flexible arrangements, compared with 27 percent at end-1981, when the present classification (which includes the category "Limited Flexibility in Terms of a Single Currency" that had been grouped with more flexible arrangements) was adopted. Over the same period, the

^{1/} In addition, there was one notification of the exchange arrangement for a new member.

^{2/} Bringing the total number of nonindustrial country members with exchange rates classified as "independently floating" to 10. A staff paper, "Experience with Exchange Rate Flexibility in Developing Countries," planned to be issued in March 1986, will review the experience since 1982 with exchange rate flexibility in certain developing countries, and, in particular, the technical aspects of the various exchange arrangements.

number of members with "Independently Floating" arrangements increased from 7 percent to 10 percent of the total membership.

Of the 26 discrete changes in exchange rates notified to the Executive Board in 1985, all but six involved nominal depreciations; Ireland, France, Denmark, the Netherlands, the Federal Republic of Germany, Belgium and Luxembourg appreciated their currencies vis-à-vis the ECU in a realignment of the European Monetary System.

b. Notification of changes in exchange systems

Closely related to developments in members' exchange rates are changes in their system of exchange control and multiple exchange rates as these latter measures in members' exchange system practices frequently substitute for adjustment of the exchange rate. Communications from members dealing with significant actions affecting exchange controls (not otherwise reported within a brief interval in consultations or use of Fund resources reports) are notified separately to the Board. In 1985, 27 such papers were issued informing the Executive Board of changes in members' exchange and payments systems, of which 11 were included in notifications described above of changes in exchange arrangements (Table 23).

c. Format and content of notifications

In the documentation transmitting the changes in exchange arrangements and exchange systems to the Executive Board, the staff continued to clarify and to give context to the measures. In 28 of 62 notification papers in 1985, the staff paper included an appraisal of the measure, in the light of the views of the Fund on the member's policies expressed at the time of the latest Article IV consultation discussion with the member. In the majority of the instances in which no appraisal was explicitly stated, the staff paper pointed out that discussion of the same measure was to be taken up shortly in the broader context of a consultation report in preparation at the time.

Table 20. Information Notices Issued, 1983-1985

	1983	1984	1985
Total	<u>6</u>	<u>19</u>	<u>30</u> ^{1/}
Distribution by country classification			
Industrial countries	--	--	3
of which: G-10	--	--	3
Nonindustrial countries	6	19	27
Distribution by exchange arrangement			
Pegged			
To a single currency or the SDR	3	11	15
To a currency composite	1	2	2
Flexibility limited			
Single currency	--	--	--
Cooperative arrangements	--	--	--
More flexible			
Adjusted according to indicators	1	1	--
Managed floating	1	4	2
Independently floating	--	1	11

^{1/} Two information notices were issued for Bolivia, Ethiopia, Sierra Leone, the United Kingdom and Uruguay and three were issued for Nicaragua. See Table 21.

Table 21. Information Notices Issued in 1985

Country	Report Number	Date
Australia	EBS/85/161	June 26
Bolivia	EBS/85/68	March 22
Bolivia	SM/85/233, Sup.1	September 18
Burundi	EBS/85/29	February 1
Cape Verde	1/	March 20
Dominican Republic	EBS/85/260	November 25
El Salvador	EBS/85/166	July 9
Ethiopia	EBS/85/131	May 17
Ethiopia	EBS/85/292	December 27
Guatemala	EBS/85/156	June 20
Mexico	EBS/85/99	April 23
New Zealand	EBS/85/259	November 25
Nicaragua	EBS/85/43	March 1
Nicaragua	EBS/85/179	July 31
Nicaragua	EBS/85/273	December 11
Paraguay	EBS/85/236	October 25
Peru	EBS/85/134	May 23
Philippines	EBS/85/102	April 24
Sierra Leone	EBS/85/77	March 28
Sierra Leone	EBS/85/247	November 6
South Africa	EBS/85/78	March 28
Swaziland	EBS/85/79	March 28
Tanzania	EBS/85/285	December 19
Uganda	EBS/85/24	January 29
United Kingdom	EBS/85/44	March 5
United Kingdom	EBS/85/203	August 26
United States	EBS/85/69	March 21
Uruguay	EBS/85/91	April 5
Uruguay	EBS/85/215	September 10
Venezuela	EBS/85/136	May 24

Source: Exchange and Trade Relations Department.

1/ Staff statement at EBM/85/45.

Table 22. Notifications of Exchange Arrangements Issued in 1985

Country	Report Number	Date
Argentina	EBD/85/155	June 21
Belgium/Luxembourg	EBD/85/191	July 24
Bolivia <u>1/2/</u>	EBS/85/68	March 22
Bolivia <u>1/</u>	EBS/85/140	June 3
Botswana	EBD/85/21	January 16
Botswana	EBD/85/237	September 10
Chile	EBS/85/54	March 4
China, P.R.	EBD/85/3	January 3
China, P.R.	EBD/85/16	January 14
Denmark	EBD/85/192	July 24
Dominican Republic <u>1/</u>	EBS/85/76	March 27
El Salvador <u>1/2/</u>	EBS/85/166	July 9
Equatorial Guinea	EBD/85/38	January 28
European Monetary System	SM/85/213	July 29
France	EBD/85/194	July 25
Germany	EBD/85/189	July 23
Ghana	EBS/85/232	October 21
Greece	EBD/85/257	October 15
Guatemala	EBD/85/10	January 11
Guinea	EBD/85/275	October 25
Ireland	EBD/85/196	July 29
Israel <u>1/</u>	EBS/85/190	August 13
Israel	EBD/85/233	September 4
Italy	EBD/85/193	July 24
Kenya	EBS/85/86	April 4
Kenya	EBD/85/226	August 29
Lesotho <u>1/</u>	EBD/85/255	September 27
Madagascar	EBD/85/9	January 10
Madagascar	EBS/85/81	March 29
Madagascar	EBD/85/172	July 12
Maldives	EBD/85/175	July 15
Malta	EBD/85/304	December 6
Nepal <u>1/</u>	EBD/85/303	December 6
Netherlands	EBD/85/190	July 24
New Zealand	EBD/85/70	March 8
Peru	EBD/85/130	May 21
Peru <u>1/</u>	EBD/85/217	August 20
Sierra Leone <u>1/2/</u>	EBS/85/77	March 28
South Africa <u>1/</u>	EBD/85/214	September 9
South Africa	EBD/86/267	October 8
Sudan <u>1/</u>	EBD/85/121	May 9
Sudan	BUFF/85/178	September 26
Tonga	EBD/85/292	November 15
Vanuatu	EBD/85/91	April 4
Viet Nam	EBD/85/247	September 23
Western Samoa	EBS/85/60	March 14
Yemen Arab Republic	EBD/85/55	February 4
Zambia	BUFF/85/179	October 10

Source: Exchange and Trade Relations Department

1/ Also notification of exchange system.

2/ Also information notice.

Table 23. Notifications of Exchange System Changes Issued in 1985

Country	Report Number	Date
Bolivia <u>1/2/</u>	EBS/85/68	March 22
Bolivia <u>2/</u>	EBS/85/140	June 3
Denmark	EBD/85/144	June 12
Dominican Republic <u>2/</u>	EBS/85/76	March 27
Ecuador	EBS/85/263	December 2
Egypt	EBS/85/59	March 13
El Salvador <u>1/2/</u>	EBS/85/166	July 9
France	EBD/85/74	March 12
France	EBD/85/272	October 23
France	EBD/85/311	December 11
Greece	SM/85/300	November 7
Honduras	EBS/85/158	June 24
Israel <u>2/</u>	EBS/85/190	August 13
Italy	EBD/85/284	November 5
Lesotho <u>2/</u>	EBD/85/255	September 27
Mexico	Buff/85/99	June 6
Mexico	EBS/85/188	August 9
Nepal <u>2/</u>	EBD/85/303	December 6
Nicaragua <u>1/</u>	EBS/85/43	March 1
Paraguay	EBD/85/82	March 21
Peru <u>2/</u>	EBD/85/217	August 20
Sierra Leone <u>1/2/</u>	EBS/85/77	March 28
South Africa	EBD/85/225	August 28
South Africa	EBD/85/235	September 5
South Africa <u>2/</u>	EBD/85/214	September 9
South Africa	EBD/85/313	December 16
Sudan <u>2/</u>	EBD/85/121	May 9

Source: Exchange and Trade Relations Department

1/ Also information notice.

2/ Also notification of exchange arrangements.

V. Coverage of Selected Surveillance Topics
in the General Work of the Fund During 1985 ^{1/}

Several staff papers and Board discussions in 1985 dealt with issues related to surveillance. Apart from the staff reports and Board discussions concluding Article IV consultations with individual members, the main such discussions were, as usual, the two discussions of the World Economic Outlook in April and September and the 1985 annual review of the implementation of surveillance in March [A:1; B:1; B:2]. In addition to the usual documentation, and in support of the emphasis on medium-term prospects and the sensitivity of the medium-term outlook to changes in assumptions, supplementary background notes were prepared in the context of the World Economic Outlook on developments and prospects in primary commodity prices, trends in capital flows to developing countries, structural policies, the growth potential of industrial countries and the effects of U.S. fiscal policy. Also of broader interest, a staff note was issued in December 1985 on the September 22 announcement of G-5 Ministers [A:4].

Continuing concerns with the external debt situation of developing countries were reflected in several related Board discussions. External debt issues were considered, in particular, in March, on the basis of staff papers on developing countries' indebtedness to commercial banks and official creditors and on export credit cover policies [C:1]; and in September on the basis of a staff paper on "The Role of the Fund in Assisting Members with Commercial Banks and Official Creditors" [C:2]. In addition, several papers reported on the progress achieved, in collaboration with other international agencies (OECD, BIS, Berne Union and IBRD) and the International Compilers' Working Group of External Debt Statistics, in the monitoring of external debt and lending flows [D:1; D:2; D:3].

The overall assessment of Directors through these discussions was that encouraging progress had been made in addressing debt servicing difficulties. Directors, however, cautioned against complacency, noting that the progress of individual countries in restoring a viable balance of payments position and growth had been uneven. Directors stressed that the key elements for a solution of the debt problem remained the adoption of appropriate adjustment policies by debtor countries, the continued collaboration between debtors and creditors in order to provide orderly and adequate financing and the achievement of a satisfactory rate of growth of the world economy.

Directors generally stressed the appropriateness of continuing the case-by-case approach of tailoring the mix between adjustment and financing to a country's circumstances and prospects, and they considered that the Fund would continue to have a major role to play in this regard. The review of criteria and practices for enhanced surveillance, in September, reaffirmed and clarified procedures for the Fund's

^{1/} References in brackets are to documents listed in Table 24.

involvement in helping debtor countries having shown a good record of adjustment progress further toward normalized access to financial markets. Most Directors felt that enhanced surveillance could be undertaken when the four following conditions are met: first, at the request of a member country, who must initiate the procedures; second, in cases where a good record of adjustment has been shown; third, in cases in which a multiyear restructuring agreement (MYRA) is needed to normalize market relations and to facilitate the return to voluntary or spontaneous financing; and fourth, in cases where the member is in a position to present an adequate quantified policy program in the framework of consultations with the Fund staff.

External debt issues were discussed further in November against the background of developments in commercial lending, the structure of financial markets and the debt strategy, on the basis of a staff paper on "International Capital Markets--Developments and Prospects, 1985" [C:3]. The discussion provided a first opportunity to examine the initiative by United States Treasury Secretary Baker, stressing the importance of coordinated efforts by all parties involved--governments, multilateral agencies, and commercial banks. Directors welcomed the United States initiative as an important and timely signal to the international community toward renewing the momentum in dealing with the debt problem.

The strategy to address the debt servicing difficulties faced by many developing countries has highlighted the need to maintain adequate rates of growth of economic activity and trade. Trade issues were addressed by Executive Directors on several occasions in 1985, in particular in March on the basis of a staff report on "Trade Policy Issues and Developments" [E:1]. Directors expressed serious concern about the continued drift toward protectionism in recent years. They regretted that the onset of world economic recovery had not yet led, in spite of some limited initiatives, to an easing of protectionist measures. Directors hoped that new multilateral trade negotiations would provide the basis for significant trade liberalization. Directors also welcomed the strengthened treatment of trade policy issues in Article IV consultations and agreed to the preparation of information notices on major trade policy decisions: two information notices were issued subsequently, "Japan: Recent Trade Measures" SM/85/256 (9/4/85); and "United States: Trade Policy Developments in the Footwear Sector" SM/85/268 (10/16/85).

Other Executive Board discussions related to surveillance in 1985 included the consideration in July, in a seminar, of a staff paper on the "Global Effects of Fund-Supported Adjustment Programs" [I:2]; and the discussion in February of "Multiple Currency Practices Applicable Solely to Capital Transactions" [F:1]. While not taking a view on the Fund's jurisdiction over multiple currency practices applicable solely to capital transactions, Executive Directors considered that a full analysis of such practices should continue to be provided in the framework of the Fund's surveillance activities.

Table 24. Coverage of Selected Surveillance Topics in 1985

Executive Board Meeting			Document Number	Date Issued
Number	Date	Document		
A. Surveillance--General				
1.	EBM/85/47 3/22/85	a. Review of the document "Enhancing the Effectiveness of Surveillance: The 1985 Annual Review of the Implementation of Surveillance"	SM/85/65	2/22/85
	EBM/85/48 3/22/85	b. Annual Review of the Implementation of Surveillance--Background Material	SM/85/65 Supp. 1	2/28/85
	EBM/85/49 3/25/85	c. Chairman's Summing Up	SUR/85/36	3/28/85
2.	--	a. Tokyo-Communique of the Ministers and Governors of the Group of Ten	FBD/85/154	6/21/85
		b. Report of G-10 Deputies on the Functioning of the International Monetary System	FBD/85/154 Supp. 1	6/21/85
3.	--	Report of the Deputies of the Group of Twenty-four on the Functioning and Improvement of the International Monetary System--Transmittal to the Interim Committee	FBD/85/228	8/30/85
4.	--	a. Joint Statement Issued by the Ministers of Finance and Central Bank Governors of France, Germany, Japan, the United Kingdom, and the United States.	EBD/85/27	1/22/85
		b. Announcement of the Ministers of Finance and Central Bank Governors of France, Germany, Japan, the United Kingdom and the United States.	FRD/85/246	9/23/85
		c. Staff Note on the Announcement of the Ministers of Finance and Central Bank Governors of France, Germany, Japan, the United Kingdom and the United States.	SM/85/318	12/2/85
B. World Economic Outlook				
1.	EBM/85/51 4/1/85	a. The World Economy to 1990: Prospects and Issues	EBS/85/47	3/11/85
	EBM/85/52 4/1/85	b. World Economic Outlook: Current Situation and Short-term Prospects	EBS/85/48	3/11/85
	EBM/85/53 4/3/85	c. World Economic Outlook: Medium-term Scenarios	EBS/85/49	3/11/85
	EBM/85/54 4/3/85	d. World Economic Outlook: Statistical Appendix	EBS/85/50	3/11/85
	EBM/85/55 4/5/85	e. World Economic Outlook: Supplementary Note 1--Fiscal Policy in the Major Industrial Countries	SM/85/70	3/11/85
		f. World Economic Outlook: Supplementary Note 2--Monetary Developments in Major Industrial Countries	SM/85/71	3/11/85
		g. World Economic Outlook: Supplementary Note 3--Non-oil Primary Commodity Price Developments and Prospects	SM/85/72	3/11/85
		h. World Economic Outlook: Supplementary Note 4--World Oil Situation	SM/85/73	3/11/85
		i. World Economic Outlook: Supplementary Note 5--Economic Developments in Eastern Europe and the U.S.S.R.	SM/85/74	3/11/85
		j. World Economic Outlook: Supplementary Note 6--Estimating Growth Potential in Industrial Countries	SM/85/75	3/11/85
		k. World Economic Outlook: Supplementary Note 7--Domestic and International Effects of the U.S. Fiscal Position	SM/85/76	3/11/85
		l. World Economic Outlook: Supplementary Note 8--Structural Policies in Industrial Countries	SM/85/77	3/11/85
		m. World Economic Outlook: Supplementary Note 9--Developing Countries: Impact of the External Environment and Domestic Policies on Economic Performance	SM/85/78	3/11/85
		n. World Economic Outlook: Supplementary Note 10--Trends in Capital Flows to Developing Countries	SM/85/79	3/11/85

Table 24 (Continued). Coverage of Selected Surveillance Topics in 1985

Executive Board Meeting		Document	Document Number	Date Issued
Number	Date			
		o. World Economic Outlook: Supplementary Note 11-- Medium-term Projections by Staffs of the Bank and the Fund: Note on Differences in Methodology and Assumptions	SM/85/80	3/11/85
		p. Chairman's Summing Up	SUR/85/37	4/5/85
2.	EBM/85/143 9/16/85	a. World Economic Outlook--General Survey	EBS/85/201	8/26/85
	ERM/85/144 9/16/85	b. World Economic Outlook--Statistical Appendix	EBS/85/201	8/26/85
	EBM/85/145 9/18/85		Supp. 1	
		c. World Economic Outlook--Technical Note on the Sensitivity of Staff Projections to Changes in Certain Key Assumptions	ERS/85/201	8/28/85
			Supp. 2	
		d. Chairman's Summing Up	Buff 85/170	9/20/85
C.	External Debt, International Capital Markets and Enhanced Surveillance			
1.	EBM/85/45 3/20/85	a. Export Credit Cover Policies and Payments		
	EBM/85/46 3/20/85	Difficulties	SM/84/272	12/18/84
		b. Developing Countries' External Indebtedness to Commercial Banks	SM/85/61	2/20/85
		c. Developing Countries' External Indebtedness to Commercial Banks--Supplemental Information	SM/85/61	3/6/85
			Supp. 1	
		d. Developing Countries' Indebtedness to Official Creditors	SM/85/62	2/21/85
		e. Developing Countries' Indebtedness to Official Creditors--Supplemental Information	SM/85/62	3/1/85
			Supp. 1	
		f. Chairman's Concluding Remarks	Buff 85/60	3/27/85
2.	EBM/85/130 8/30/85	a. The Role of the Fund in Assisting Members with Commercial Banks and Official Creditors	EBS/85/173	7/23/85
	EBM/85/131 9/4/85	b. The Role of the Fund in Assisting Members with Commercial Banks and Official Creditors-- Supplementary Material.	EBS/85/173	8/13/85
	EBM/85/132 9/4/85		Supp. 1	
		c. Chairman's Summing Up	Buff 85/152	9/6/85
3.	EBM/85/165 11/13/85	a. International Capital Markets--Developments and Prospects, 1985	SM/85/267	9/27/85
	EBM/85/166 11/13/85	b. International Capital Markets--Developments and Prospects, 1985--U.S. Treasury Initiative on Debt	SM/85/267	11/1/85
			Supp. 1	
		c. International Capital Markets--Recent Developments, 1985	SM/85/280	10/17/85
		d. International Capital Markets--Recent Developments 1985--Statistical Supplement	SM/85/280	10/18/85
			Supp. 1	
		e. Chairman's Summing Up	Buff 85/198	12/3/85
D.	Statistical Issues			
1.	EBM/85/71 5/6/85	Review of Fund Statistics	SM/85/63	2/21/85
2.	-- --	International Compilers' Working Group on External Debt Statistics--Release of Information	EBD/85/127	5/16/85
3.	-- --	International Compilers' Working Group on External Debt Statistics (Report on June 1985 meeting).	SM/85/239	8/20/85
E.	Trade Policy			
1.	EBM/85/43 3/18/85	a. Trade Policy Issues and Developments	SM/85/60	2/20/85
	EBM/85/44 3/18/85	b. Trade Policy Issues and Developments-- Supplemental Material	SM/85/60	2/25/85
			Supp. 1	
		c. Trade Policy Issues and Developments-- Statistical Annex	SM/85/60	2/25/85
			Supp. 2	
		d. Chairman's Summing Up	Buff 85/57	3/25/85
2.	-- --	Information Notices on Trade Policy--Suggested Features	SM/85/225	8/8/85
F.	Exchange Rate Policies			
1.	EBM/85/23 2/13/85	a. Multiple Currency Practices Applicable Solely to Capital Transactions	SM/85/19	1/16/85
		b. Chairman's Summing Up	Buff 85/34	2/25/85

Table 24 (Concluded). Coverage of Selected Surveillance Topics in 1985

<u>Executive Board Meeting</u>		Document	Document Number	Date Issued	
Number	Date				
G. Consultation Procedures					
1.	--	Frequency of Article IV Consultations-- Semi-Annual Report	SM/85/249	8/28/85	
H. International Reserves					
1.	EBM/85/42	3/15/85	a. Allocation of SDRs in Current Basic Period-- Renewed Consideration	SM/85/50	2/11/85
			b. Chairman's Summing Up	Buff 85/42	3/15/85
2.	EBM/85/129	8/30/85	a. Implications of U.S. External Current Account Deficits for the Volume of International Reserves	SM/85/218	8/2/85
			b. SDR Allocations in the Current Basic Period-- Review of Pertinent Considerations	SM/85/219	8/2/85
			c. Chairman's Summing Up	Buff 85/157	9/9/85
I. Other					
1.	--	--	a. Bank/Fund Collaboration--President Clausen's Summing up	EBD/85/79	3/19/85
			b. Bank/Fund Collaboration--Excerpt of Bank Board Minutes	EBD/85/79 Supp.1	5/1/85
2.	Seminar	7/22/85	Global Effects of Fund-Supported Adjustment Programs	SM/85/97	4/4/85
J. Periodic Documentation					
1.	--	--	Charts on Exchange Market Developments	(monthly)	
2.	--	--	Foreign Exchange and Financial Markets <u>1/</u>	(monthly)	
3.	--	--	Indicators of Real Effective Exchange Rates	(quarterly)	
4.	--	--	Exchange Rate Arrangements Maintained by Members	(quarterly)	
5.	--	--	International Banking Activity	(quarterly)	
6.	--	--	Annual Report on Exchange Arrangements and Exchange Restrictions	(annual)	
7.	--	--	Annual Report	(annual)	

Source: Exchange and Trade Relations Department.

1/ In addition, the Treasurer's Department issues weekly and daily reports on foreign exchange and financial markets.

Table 25. Executive Board Documents Issued in 1985 Providing Information on Specific Policy Measures and Economic Developments

Country	Document	Document Number	Date Issued
Italy	Monetary Measures	EBD/85/11	1/10/85
Federal Republic of Germany	Monetary Measures	EBD/85/42	2/01/85
Netherlands	Interest Rates	EBD/85/43	2/01/85
OECD	Communique of the OECD Ministers	EBD/85/100	4/15/85
Belgium	Decision on Interest Rates	EBD/85/126	5/17/85
Sweden	Decision on Interest Rates	EBD/85/135	5/22/85
New Zealand	Budget Announcement	EBD/85/151	6/19/85
Sweden	Decision on Interest Rates	EBD/85/174	7/12/85
Viet Nam	Economic Measures	EBD/85/173	7/15/85
Federal Republic of Germany	Monetary Measures	EBD/85/212	8/16/85
Netherlands	Interest Rates	EBD/85/213	8/16/85
Austria	Decision on Interest Rates	EBD/85/214	8/19/85
South Africa	Suspension of Trading on South African Currency Market and Johannesburg Stock Exchange	EBD/85/225	8/28/85
France	Provisions Relating to Export Credits	EBD/85/272	10/22/85
Italy	Monetary Measures	EBD/85/287	11/12/85
Sweden	Modification of Credit Control System	EBD/85/299	11/25/85
Belgium	Interest Rate Policy	EBD/85/327	12/24/85

Source: Exchange and Trade Relations Department.

Table 26. Article IV Consultations Concluded in 1985

Country	EBM Number	EBM Date	Staff Report Number	Staff Report Date	RED Number	RED Date	Summing Up Number	Summing Up Date
Algeria	EBM/85/134	09/09/85	SM/85/185	06/27/85	SM/85/202	07/18/85	SUR/85/99	09/12/85
Antigua & Barbuda	EBM/85/88	06/03/85	SM/85/128	05/08/85	SM/85/136	05/16/85	SUR/85/62	06/14/85
Australia	EBM/85/26	02/20/85	SM/85/30 Supp. 1	01/29/85 02/15/85	SM/85/35	02/05/85	SUR/85/17	02/25/85
Austria	EBM/85/78	05/22/85	SM/85/114	04/24/85	SM/85/124	05/07/85	SUR/85/53	05/28/85
Bahamas	EBM/85/94	06/12/85	SM/85/126	05/08/85	SM/85/143	05/20/85	SUR/85/60	06/13/85
Bahrain	EBM/85/36	03/06/85	SM/85/45	02/07/85	SM/85/57	02/19/85	SUR/85/26	03/11/85
Bangladesh	EBM/85/173	12/02/85	SM/85/264	09/23/85	SM/85/276	10/08/85	SUR/85/129	12/05/85
Barbados	EBM/85/156	10/25/85	SM/85/262	09/19/85	SM/85/274	10/04/85	SUR/85/114	10/29/85
Belgium	EBM/85/5	01/11/85	SM/84/271	12/14/84	SM/84/279	12/26/84	SUR/85/3	01/14/85
Belize	EBM/85/101	06/28/85	EBS/85/135	05/24/85	SM/85/164	06/12/85	SUR/85/71	07/03/85
Benin	EBM/85/38	03/08/85	SM/85/49	02/11/85	SM/85/68	02/28/85	SUR/85/30	03/14/85
Bhutan	EBM/85/127	08/28/85	SM/85/216	07/31/85	SM/85/220	08/08/85	SUR/85/95	09/04/85
Bolivia	EBM/85/149	09/23/85	SM/85/233 Supp. 1	09/15/85 09/18/85	SM/85/253	09/06/85	SUR/85/108	09/25/85
Botswana	EBM/85/57	04/10/85	SM/85/86	03/12/85	SM/85/88	03/18/85	SUR/85/39	04/12/85
Brazil	EBM/85/128	08/28/85	EBS/85/178	07/31/85	SM/85/229	08/14/85	SUR/85/98	09/11/85
Burma	EBM/85/32	03/01/85	SM/85/32	01/31/85	SM/85/55	02/15/85	SUR/85/24	03/05/85
Burundi	EBM/85/72	05/08/85	SM/85/111	04/17/85	SM/85/117	04/26/85	SUR/85/47	05/09/85
Cameroon	EBM/85/126	08/26/85	SM/85/201	07/10/85	SM/85/221	08/08/85	SUR/85/97	09/05/85
Canada	EBM/85/31	02/27/85	SM/85/28	01/28/85	SM/85/43	02/11/85	SUR/85/21	03/01/85
Cape Verde	EBM/85/45	03/20/85	SM/85/67	02/26/85	SM/85/82	03/08/85	SUR/85/34	03/25/85
Central African Rep.	EBM/85/148	09/23/85	EBS/85/204	08/27/85	SM/85/259	09/09/85	SUR/85/111	09/26/85
Chad	EBM/85/63	04/26/85	SM/85/93	04/01/85	SM/85/95	04/04/85	SUR/85/44	05/03/85
Chile	EBM/85/106	07/15/85	EBS/85/122 Supp. 1	05/13/85 07/12/85	SM/85/150	05/24/85	SUR/85/77	07/17/85
China	EBM/85/162	11/08/85	SM/85/266 Supp. 1	09/27/85 11/04/85	SM/85/272 Supp. 1	10/24/85 10/25/85	SUR/85/123	11/18/85
Colombia	EBM/85/114	07/26/85	EBS/85/149 Supp. 1	06/12/85 06/14/85	SM/85/172	06/19/85	SUP/85/93	08/12/85
Comoros	EBM/85/29	02/25/85	SM/85/37	02/01/85	SM/85/46	02/11/85	SUR/85/18	02/26/85
Congo	EBM/85/160	11/04/85	SM/85/241	08/22/85	SM/85/263	09/23/85	SUR/85/120	11/08/85
Costa Rica	EBM/85/136	09/10/85	SM/85/223	08/07/85	SM/85/247	08/28/85	SUR/85/104	09/18/85
Cote d'Ivoire	EBM/85/87	06/03/85	EBS/85/113	05/02/85	SM/85/146	05/21/85	SUR/85/55	06/07/85
Denmark	EBM/85/43	03/18/85	SM/85/51	02/12/85	SM/85/66	02/28/85	SUR/85/33	03/21/85
Djibouti	EBM/85/98	06/17/85	SM/85/138	05/14/85	SM/85/156	05/31/85	SUR/85/67	06/20/85
Dominica	EBM/85/107	07/15/85	SM/85/173	06/20/85	SM/85/184	06/28/85	SUR/85/79	07/18/85
Dominican Rep.	EBM/85/172	11/27/85	EBS/85/237	10/30/85	SM/85/291	11/05/85	SUR/85/128	12/03/85
Ecuador	EBM/85/147	09/20/85	EBS/85/202 Supp. 1	08/23/85 09/18/85	SM/85/255	09/06/85	SUR/85/112	09/27/85
Egypt	EBM/85/123	08/07/85	SM/85/177 Supp. 1	06/24/85 08/05/85	SM/85/198	07/10/85	SUR/85/90	08/09/85
El Salvador	EBM/85/188	12/27/85	SM/85/315	11/26/85	SM/85/329	12/16/85	SUR/86/1	01/07/86

Table 26 (Continued). Article IV Consultations Concluded in 1985

Country	EBM Number	EBM Date	Staff Report Number	Staff Report Date	RED Number	RED Date	Summing Up Number	Summing Up Date
Ethiopia	EBM/85/96	06/14/85	SM/85/151	05/23/85	SM/85/160	06/04/85	SUR/85/66	06/20/85
Fiji 1/	EBM/85/11	01/25/85	SM/84/273	12/18/84	SM/85/1	01/02/85	SUR/85/8	01/29/85
	EBM/85/185	12/20/85	SM/85/309	11/18/85	SM/85/312	11/29/85	SUR/86/3	01/07/86
Finland	EBM/85/108	07/17/85	SM/85/178	06/24/85	SM/85/189	07/02/85	SUR/85/80	07/23/85
France	EBM/85/115	07/29/85	SM/85/175 Supp. 1	06/21/85 07/24/85	SM/85/195	07/10/85	SUR/85/87	08/06/85
Gabon	EBM/85/42	03/15/85	SM/85/52	02/12/85	SM/85/69	03/01/85	SUR/85/32	03/19/85
Gambia, The	EBM/85/147	09/20/85	SM/85/244 Supp. 1	08/23/85 09/18/85	SM/85/258	09/06/85	SUR/85/110	09/26/85
Germany	EBM/85/119	08/02/85	SM/85/194	07/05/85	SM/85/204	07/17/85	SUR/85/88	08/07/85
Ghana	EBM/85/141	09/13/85	ERS/85/211	08/30/85	SM/85/252	09/04/85	SUR/85/102	09/18/85
Greece	EBM/85/75	05/17/85	SM/85/116 Supp. 1	04/25/85 05/13/85	SM/85/122	05/03/85	SUR/85/57	06/11/85
Grenada	EBM/85/183	12/18/85	SM/85/313	11/25/85	SM/85/317	12/04/85	SUR/85/133	12/23/85
Guatemala	EBM/85/99	06/21/85	SM/85/153	05/28/85	SM/85/162	06/07/85	SUR/85/74	07/15/85
Guinea-Bissau	EBM/85/132	09/04/85	SM/85/226	08/09/85	SM/85/236	08/19/85	SUR/85/103	09/18/85
Guyana	EBM/85/168	11/20/85	SM/85/287	10/30/85	SM/85/295	11/07/85	SUR/85/126	11/26/85
Haiti 1/	EBM/85/18	02/04/85	ERS/85/2	01/04/85	SM/84/275	12/21/84	SUR/85/12	02/08/85
	EBM/85/169	11/25/85	SM/85/292	11/04/85	SM/85/306	11/13/85	SUR/85/127	11/29/85
Honduras	EBM/85/21	02/11/85	SM/85/22	01/18/85	SM/85/26	01/28/85	SUR/85/15	02/13/85
Hungary	EBM/85/37	03/08/85	SM/85/10 Supp. 1	01/07/85 03/06/85	SM/85/15	01/18/85	SUR/85/29	03/13/85
India	EBM/85/28	02/22/85	SM/85/27	01/25/85	SM/85/41	02/18/85	SUR/85/19	02/27/85
Indonesia	EBM/85/20	02/08/85	SM/85/20	01/18/85	SM/85/25	01/24/85	SUR/85/13	02/12/85
Ireland	EBM/85/135	09/10/85	SM/85/230	08/14/85	SM/85/240	08/23/85	SUR/85/100	09/12/85
Israel	EBM/85/80	05/24/85	SM/85/118 Supp. 1	04/26/85 05/23/85	SM/85/129	05/10/85	SUR/85/54	06/05/85
Italy	EBM/85/80	05/24/85	SM/85/119	04/26/85	SM/85/127 Supp. 1	05/10/85 05/22/85	SUR/85/51	06/03/85
Jamaica	EBM/85/108	07/17/85	ERS/85/162	06/27/85	SM/85/200	07/10/85	SUR/85/81	07/24/85
Japan	EBM/85/34	03/04/85	SM/85/33	01/31/85	SM/85/56 Supp. 1 Supp. 2	02/15/85 02/19/85 03/01/85	SUR/85/28	03/12/85
Jordan	EBM/85/100	06/26/85	SM/85/159	06/03/85	SM/85/161	06/06/85	SUR/85/70	07/02/85
Kenya	EBM/85/154	10/21/85	ERS/85/217	09/13/85	SM/85/260	09/24/85	SUR/85/113	10/23/85
Korea	EBM/85/105	07/12/85	ERS/85/151	06/14/85	SM/85/176	06/27/85	SUR/85/76	07/16/85
Kuwait	EBM/85/7	01/16/85	SM/85/268	12/11/84	SM/85/2	01/02/85	SUR/85/5	01/22/85
Lao, P.D. Rep.	EBM/85/31	02/27/85	SM/85/42	02/06/85	SM/85/53	02/13/85	SUR/85/20	03/01/85
Lebanon	EBM/85/25	02/20/85	SM/85/9	01/07/85	SM/85/34	02/04/85	SUR/85/16	02/25/85
Lesotho	EBM/85/168	11/20/85	SM/85/283	10/23/85	SM/85/288	11/04/85	SUR/85/124	11/25/85
Liberia	EBM/85/112	07/24/85	SM/85/188	06/28/85	SM/85/191	07/08/85	SUR/85/83	07/29/85
Libya	EBM/85/87	06/03/85	SM/85/132	05/13/85	SM/85/142	05/20/85	SUR/85/56	06/10/85
Luxembourg	EBM/85/97	06/17/85	SM/85/152	05/24/85	SM/85/157	06/03/85	SUR/85/65	06/20/85
Malawi	EBM/85/77	05/22/85	ERS/85/101	04/24/85	SM/85/121	05/06/85	SUR/85/50	05/24/85
Malaysia	EBM/85/111	07/24/85	SM/85/180	06/26/85	SM/85/196	07/10/85	SUR/85/85	07/31/85

Table 26 (Continued). Article IV Consultations Concluded in 1985

Country	EBM Number	EBM Date	Staff Report Number	Staff Report Date	RED Number	RED Date	Summing Up Number	Summing Up Date
Maldives	EBM/85/10	01/23/85	SM/85/4 Supp. 1	01/02/85 01/18/85	SM/85/11	01/09/85	SUR/85/10	02/06/85
Mali	EBM/85/70	05/03/85	SM/85/91 Supp. 1	03/27/85 04/30/85	SM/85/109	04/17/85	SUR/85/48	05/14/85
Malta	EBM/85/66	04/29/85	SM/85/99	04/05/85	SM/85/106	04/15/85	SUR/85/43	05/02/85
Mauritania	EBM/85/159	11/01/85	EBS/85/239	10/01/85	SM/85/270	10/18/85	SUR/85/119	11/05/85
Mauritius	EBM/85/145	09/18/85	EBS/85/205	08/28/85	SM/85/257	09/05/85	SUR/85/106	09/24/85
Mexico	EBM/85/92	06/07/85	EBS/85/123	05/13/85	SM/85/148	05/23/85	SUR/85/69	06/26/85
Morocco	EBM/85/140	09/12/85	EBS/85/157 Supp. 1 Supp. 2	06/21/85 06/24/85 09/06/85	SM/85/193	07/03/85	SUR/85/105	09/19/85
Mozambique	EBM/85/103	07/03/85	SM/85/158 Supp. 1	06/03/85 06/28/85	SM/85/169	06/14/85	SUR/85/73	07/10/85
Nepal	EBM/85/186	12/23/85	EBS/85/264	12/03/85	SM/85/326	12/10/85	SUR/85/134	12/26/85
Netherlands	EBM/85/68	05/01/85	SM/85/104	04/10/85	SM/85/110	04/17/85	SUR/85/46	05/07/85
Netherlands Antilles	EBM/85/24	02/15/85	SM/85/21 Supp. 1	01/22/85 02/13/85	SM/85/24	01/25/85	SUR/85/22	03/04/85
New Zealand	EBM/85/93	06/10/85	SM/85/139	05/14/85	SM/85/145	05/21/85	SUR/85/58	06/12/85
Nicaragua	EBM/85/34	03/04/85	SM/85/48	02/11/85	SM/85/58	02/20/85	SUR/85/25	03/07/85
Niger	EBM/85/104	07/08/85	EBS/85/143 Supp. 1	06/05/85 07/05/85	SM/85/165	06/13/85	SUR/85/75	07/16/85
Nigeria	EBM/85/98	06/17/85	SM/85/149	05/21/85	SM/85/155	05/31/85	SUR/85/68	06/21/85
Oman	EBM/85/39	03/11/85	SM/85/47	02/11/85	SM/85/64	02/25/85	SUR/85/31	03/15/85
Pakistan	EBM/85/31	02/27/85	SM/85/29 Supp. 1	01/29/85 02/26/85	SM/85/31	02/04/85	SUR/85/23	03/05/85
Panama	EBM/85/107	07/15/85	EBS/85/152	06/17/85	SM/85/179	06/27/85	SUR/85/78	07/17/85
Papua New Guinea	EBM/85/123	08/07/85	SM/85/207	07/18/85	SM/85/211	07/26/85	SUR/85/91	08/12/85
Paraguay 1/	EBM/85/5 EBM/85/178	01/11/85 12/11/85	SM/85/276 SM/85/301	12/19/84 11/08/85	SM/84/274 SM/85/302	12/28/84 11/14/85	SUR/85/4 SUR/85/131	01/16/85 12/17/85
Philippines	EBM/85/151	09/25/85	EBS/85/182 Supp. 1	09/08/85 09/20/85	SM/85/251	09/06/85	SUR/85/116	10/01/85
Portugal	EBM/85/133	09/09/85	SM/85/237	08/19/85	SM/85/242	08/26/85	SUR/85/101	09/17/85
Romania	EBM/85/157	10/28/85	SM/85/243 Supp. 1	08/23/85 10/23/85	SM/85/275	10/07/85	SUR/85/115	11/01/85
St. Christopher and Nevis	EBM/85/15	01/30/85	SM/84/280 Supp. 1	12/21/84 01/28/85	SM/85/3	01/04/85	SUR/85/9	02/04/85
St. Lucia	EBM/85/157	10/28/85	SM/85/265	09/24/85	SM/85/277	10/09/85	SUR/85/117	11/01/85
Saudi Arabia	EBM/85/113	07/26/85	SM/85/187	06/28/85	SM/85/197	07/09/85	SUR/85/84	07/30/85
Senegal	EBM/85/7	01/16/85	EBS/84/267 Supp. 1	12/21/84 01/14/85	SM/85/13	01/10/85	SUR/85/7	01/24/85
Seychelles	EBM/85/62	04/24/85	SM/85/90	03/26/85	SM/85/100	04/10/85	SUR/85/41	05/01/85
Sierra Leone	EBM/85/174	12/04/85	SM/85/307	11/04/85	SM/85/314	11/25/85	SUR/85/130	12/09/85
Singapore	EBM/85/8	01/18/85	SM/84/278	12/20/84	SM/85/7	01/04/85	SUR/85/6	01/22/85
Solomon Islands	EBM/85/127	08/28/85	SM/85/215	07/30/85	SM/85/228	08/14/85	SUR/85/96	09/05/85
Somalia	EBM/85/125	08/09/85	SM/85/203 Supp. 1	07/15/85 08/08/85	SM/85/214	07/30/85	SUR/85/94	08/26/85

Table 26 (Concluded). Article IV Consultations Concluded in 1985

Country	EBM Number	EBM Date	Staff Report Number	Staff Report Date	RED Number	RED Date	Summing Up Number	Summing Up Date
South Africa	EBM/85/92	06/07/85	SM/85/120	05/01/85	SM/85/140	05/16/85	SUR/85/61	06/13/85
Spain	EBM/85/149	09/23/85	SM/85/248	08/27/85	SM/85/254	09/09/85	SUR/85/109	09/26/85
Sri Lanka	EBM/85/78	05/22/85	SM/85/101	04/09/85	SM/85/112	04/25/85	SUR/85/52	05/28/85
Suriname	EBM/85/47	03/22/85	SM/85/59	02/20/85	SM/85/84	03/11/85	SUR/85/35	03/26/85
Swaziland	EBM/85/117	07/31/85	SM/85/186	06/27/85	SM/85/206	07/17/85	SUR/85/86	08/01/85
Sweden	EBM/85/123	08/07/85	SM/85/205	07/16/85	SM/85/210	07/24/85	SUR/85/92	08/12/85
Thailand	EBM/85/96	06/14/85	EBS/85/128	05/15/85	SM/85/154	05/30/85	SUR/85/63	06/17/85
Togo	EBM/85/74	05/17/85	EBS/85/94	04/15/85	SM/85/125	05/03/85	SUR/85/49	05/21/85
Trinidad & Tobago	EBM/85/68	05/01/85	SM/85/92	03/29/85	SM/85/105	04/15/85	SUR/85/45	05/06/85
Tunisia	EBM/85/163	11/12/85	SM/85/261	09/19/85	SM/85/281	10/24/85	SUR/85/122	11/15/85
Uganda	EBM/85/20	02/08/85	SM/85/14 Supp. 1	01/14/85 02/06/85	SM/85/23	01/23/85	SUR/85/14	02/13/85
United Arab Emirates	EBM/85/110	07/22/85	SM/85/181	06/26/85	SM/85/192	07/08/85	SUR/85/82	07/24/85
United Kingdom	EBM/35/36	03/06/85	SM/85/44 Supp. 1	02/06/85 03/05/85	SM/85/54	02/14/85	SUR/85/27	03/12/85
United States	EBM/85/121	08/05/85	SM/85/199 Supp. 1	07/08/85 08/01/85	SM/85/209 Supp. 1	07/22/85 07/22/85	SUR/85/89	08/08/85
Uruguay	EBM/85/56	04/08/85	SM/85/83	03/11/83	SM/85/89	03/20/85	SUR/85/38	04/09/85
Vanuatu	EBM/85/160	11/04/85	SM/85/278	10/07/85	SM/85/269	10/18/85	SUR/85/121	11/12/85
Venezuela	EBM/85/181	12/13/85	SM/85/308	11/15/85	SM/85/316	12/02/85	SUR/85/132	12/19/85
Viet Nam	EBM/85/102	07/01/85	EBS/85/147	06/10/85	SM/85/170	06/17/85	SUR/85/72	07/03/85
Western Samoa	EBM/85/17	02/04/85	EBS/85/4 Supp. 1	01/07/85 01/31/85	SM/85/18	01/18/85	SUR/85/11	02/08/85
Yemen Arab Rep.	EBM/85/168	11/20/85	SM/85/271	10/22/85	SM/85/286	11/01/85	SUR/85/125	11/25/85
Yemen, P.D. Rep.	EBM/85/93	06/10/85	SM/85/133	05/13/85	SM/85/147	05/23/85	SUR/85/59	06/13/85
Yugoslavia	EBM/85/66	04/29/85	EBS/85/85 Supp. 1	04/01/85 04/26/85	SM/85/108	04/15/85	SUR/85/42	05/02/85
Zaire	EBM/85/61	04/24/85	EBS/85/74 Supp. 1	03/26/85 04/17/85	SM/85/107	04/12/85	SUR/85/40	04/26/85
Zambia	EBM/85/158	10/30/85	SM/85/273 Supp. 1	10/01/85 10/29/85	SM/85/279	10/09/85	SUR/85/118	11/05/85
Zimbabwe	EBM/85/145	09/18/85	SM/85/238 Supp. 1	08/20/85 09/13/85	SM/85/234	08/19/85	SUR/85/107	09/25/85

Source: Exchange and Trade Relations Department.

1/ For Fiji, Haiti and Paraguay, both the 1984 and the 1985 Article IV consultations were concluded in 1985.

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