

INTERNATIONAL MONETARY FUND

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ROOM C-120

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The International Monetary Fund has approved a purchase by the Government of the Solomon Islands, equivalent to SDR 1.25 million, to assist the country in meeting its foreign exchange needs following a severe cyclone which hit the country May 18-20, 1986.

The cyclone caused extensive damage to public buildings, infrastructure, homes, gardens, and cash crops; natural forests were partially destroyed; coconut trees suffered heavy damage; and parts of the principal oil palm plantation, the entire rice crop in the ground and part of the rice stocks were destroyed.

A preliminary assessment of the effects of the cyclone indicates that total damage is of the order of SDR 12 million, equivalent to more than 10 percent of gross domestic product (GDP), while the volume of exports of copra, palm oil, and cocoa in 1986-88 could be as much as 25 percent below earlier estimates.

The Solomon Islands' quota in the Fund is SDR 5.0 million, and its outstanding financial obligations to the Fund resulting from past operations and transactions currently total the equivalent of SDR 1.96 million

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ROOM 10-150