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EBD/86/315

ROOM C-130

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December 3, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Malawi - Staff Report for the 1986 Article IV Consultation, Request for Stand-By Arrangement, and Request for Arrangement Under the Structural Adjustment Facility (EBS/86/190, 8/18/86)

The staff report for the 1986 Article IV consultation with Malawi, along with a request for a stand-by arrangement and a request for an arrangement under the structural adjustment facility, was issued on August 18, 1986 (EBS/86/190). With the passage of time, questions arose as to whether the assumptions underlying the financial program for which Fund support was requested continued to be realistic and consideration by the Executive Board of the above staff report including the requests for the use of Fund resources was postponed pending further discussions with the authorities (EBD/86/294, 11/4/86). The Executive Board agreed, at the request of the authorities, to extend the period for completing the 1986 Article IV consultation with Malawi to not later than December 31, 1986. The extension was to allow time for a staff mission to Malawi for discussions on the economic program. Accordingly, a staff mission visited Lilongwe between October 28 and November 8 and, following discussions with the staff, the authorities have withdrawn their requests for the stand-by and structural adjustment facility arrangements, and have requested that discussions be held in early 1987 on a new program, which could then be supported by a stand-by arrangement and arrangements under the structural adjustment facility.

This is to inform Executive Directors that in view of the above, the staff plans to issue in the near future an updated report on the 1986 Article IV consultation for early consideration by the Executive Board; it will supersede the document EBS/86/190 mentioned above and issued in August 1986.

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