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ROOM C-120

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September 26, 1986

To: Members of the Executive Board
From: The Secretary
Subject: Hungary - Exchange Arrangements

The Secretary has received the following memorandum dated September 23, 1986 from Mr. Schneider:

On September 23, I have received the following notification from my Hungarian authorities:

Acting on behalf of the Hungarian authorities, I have the honor to inform you that the National Bank of Hungary devalued the Hungarian forint against the weighted basket of ten convertible currencies by 8 percent, effective September 23, 1986. (Within the basket, the Hungarian currency was devalued 9.2 percent against the U.S. dollar.)

The devaluation did not affect the methods and procedures currently followed by the National Bank of Hungary to calculate the exchange rate of the forint against convertible currencies.

It is expected by the Hungarian authorities that the present action will contribute to an improved export performance, lessen the demand for imports, and improve the current balance of the country's international payments in convertible currencies.

Official middle rates, quoted by the National Bank of Hungary, effective on September 23, 1986, are as follows: (The table below reflects the exchange rates for 100 units of foreign currency in terms of Hungarian forints.)

- over -

Pound sterling	6833.55
Australian dollar	2936.76
Belgian franc	111.08
Danish krone	609.41
Finnish markka	953.81
French franc	703.41
Netherlands guilder	2038.89
Japanese yen	30.385
Canadian dollar	3369.00
Kuwait dinar	16007.36
Norwegian krone	640.08
Deutsche mark	2303.10
Italian lira	3.334
Austrian schilling	327.61
Portuguese escudo	31.86
Spanish peseta	34.96
Swiss franc	2855.84
Swedish krona	679.14
Transferable ruble	2800.00
U.S. dollar	4674.15
ECU	4820.70

Would you please circulate this information to members of the Executive Board.

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Department Heads