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ROOM C-120

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SM/85/163
Supplement 1

August 7, 1985

To: Members of the Executive Board
From: The Secretary
Subject: Review of the Valuation of the SDR - Updated and Final Data

There is attached for the information of the Executive Directors a supplement to the paper on the review of the valuation of the SDR (SM/85/163, 6/7/85) providing the updated and final data required for the review of the SDR valuation as contained in Tables 1-A, 1-B, 2, and 3 of that paper.

Mr. Roncesvalles (ext. 7807) or Mr. Kawakami (ext. 7812) are available to answer technical or factual questions relating to this supplement.

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INTERNATIONAL MONETARY FUND

Review of the Valuation of the SDR - Updated and Final Data

Prepared by the Treasurer's Department

Approved by David Williams

August 6, 1985

As indicated in "Review of the Valuation of the SDR" (SM/85/163, 6/7/85), the calculations made in connection with the review of the SDR valuation basket were based in part on staff estimates of exports of goods and services of France in the last quarter of 1984, for which official data were not available when the paper was issued. At the time of the discussion of this paper at EBM/185/102 (7/1/85), the staff noted that complete data for the final quarter of 1984 had become available and they were not significantly different from the data presented in SM/85/163. It was also pointed out that the new data did not result in any change in the calculations presented in SM/85/163. The list of currencies in the SDR valuation basket would remain unchanged and the rounded weights for the five constituent currencies of the basket based on the updated and final data are as presented in SM/85/163: namely, U.S. dollar 42 percent; Deutsche mark 19 percent; Japanese yen 15 percent; French franc 12 percent; and pound sterling 12 percent.

For the information of the Executive Directors, the attached revised Tables 1-A, 1-B, 2, and 3 of SM/85/163 reflect final trade data and a marginal revision in the data on official holdings of currency.

Table 1-A. Shares in World Exports of Goods and Services of the Ten Largest Members, 1980-84

(In percent)

1980			1981			1982			1983			1984 est. 2/			1980-84 average		
Share	Cumulative share	Per-centage gap 1/	Share	Cumulative share	Per-centage gap 1/	Share	Cumulative share	Per-centage gap 1/	Share	Cumulative share	Per-centage gap 1/	Share	Cumulative share	Per-centage gap 1/	Share	Cumulative share	Per-centage gap 1/
US 13.86		--	US 14.95		--	US 14.81		--	US 14.66		--	US 15.1		--	US 14.7		--
GE 9.55		45.1	GE 8.74		71.1	GE 9.26		59.9	GE 9.23		58.2	JA 8.7		74.5	GE 9.1		61.7
FR 6.96		37.2	JA 7.55		15.8	JA 7.57		22.3	JA 8.05		14.7	GE 8.7		0.1	JA 7.7		17.8
UK 6.74		3.3	FR 6.72		12.4	FR 6.51		16.3	FR 6.39		26.0	FR 6.2		48.1	FR 6.5		18.2
JA 6.41	43.52	5.0	UK 6.25	44.21	7.5	UK 6.20	44.35	10.5	UK 6.18	44.51	3.4	UK 5.9	44.6	4.1	UK 6.2	44.2	4.6
SD 4.53	48.05	41.5	SD 5.07	49.28	23.3	IT 4.19	48.54	48.0	IT 4.28	48.79	44.2	CA 4.2	48.8	40.1	IT 4.1	48.3	50.5
IT 4.25	52.30	6.6	IT 4.00	53.28	26.8	SD 3.90	52.44	7.4	CA 3.86	52.65	10.9	IT 4.1	52.9	2.2	SD 3.7	52.0	10.3
NE 3.88	56.18	9.5	NE 3.63	56.91	10.2	NE 3.73	56.17	4.6	NE 3.66	56.31	5.5	NE 3.5	56.4	18.2	NE 3.7	55.7	2.2
BE 3.60	59.78	7.8	BE 3.47	60.38	4.6	BE 3.51	59.68	6.3	BE 3.31	59.62	10.6	BE 3.2	59.6	7.7	CA 3.6	59.3	0.8
CA 3.15	62.93	14.3	CA 3.35	63.73	3.6	CA 3.49	63.17	0.6	SD 2.92	62.54	13.4	SD 2.5	62.1	14.6	BE 3.4	62.7	6.5

Source: IMF BOP Statistics, and staff estimates.

Note: US = United States UK = United Kingdom IT = Italy
GE = Germany JA = Japan NE = Netherlands
FR = France SD = Saudi Arabia BE = Belgium
CA = Canada

1/ Percentage difference between the member's exports of goods and services from those of next higher member, i.e., how much the smaller figure must increase to equal the next highest figure.

2/ The data for 1984 are complete except in a few cases. The data for Saudi Arabia and Belgium are estimated from available data for merchandise exports. The world total of exports of goods and services was estimated on the assumption that it grew at the same rate in 1984 as that of the total for the five largest countries.

Table 1-B. Exports of Goods and Services for the Five Countries
Whose Currencies are Included in the SDR Valuation Basket

	Average 1975-79 <u>1/</u>	1980	1981	1982	1983	1984	Average 1980-84
<u>(In billions of SDRs)</u>							
United States <u>2/</u>	166.7	263.2	318.8	316.5	312.2	353.7	312.9
Germany <u>2/</u>	124.3	181.3	186.4	197.9	196.5	205.2	193.5
France	76.8	132.0	143.2	139.2	136.0	144.3	138.9
Japan	79.3	121.6	160.9	161.9	171.5	205.5	164.3
United Kingdom <u>2/</u>	73.4	127.9	133.2	132.6	131.5	138.6	132.7
Total of five countries	520.5	826.0	942.5	948.1	947.7	1,047.3	942.4
World total	1,084.0	1,898.5	2,131.8	2,137.7	2,128.7	n.a.	n.a.
<u>(Percentage share of five country total)</u>							
United States	32.0	31.9	33.8	33.4	32.9	33.8	33.2
Germany	23.9	21.9	19.8	20.9	20.7	19.6	20.5
France	14.8	16.0	15.2	14.7	14.4	13.8	14.7
Japan	15.2	14.7	17.1	17.1	18.1	19.6	17.4
United Kingdom	14.1	15.5	14.1	14.0	13.9	13.2	14.1

Source: IMF, BOP Statistics.

1/ Actual figures available to the staff at the time of the 1980 Decision.

2/ Revised data for 1982-83 for the United States and for 1983-84 for the United Kingdom and Germany.

Table 2. Official Holdings of Currencies Included
in the SDR Valuation Basket

	Average 1975-79 <u>1/</u>	End of year					Average 1980-84
		1980	1981	1982	1983	1984	
(In billions of SDRs)							
U.S. dollar <u>2/</u>	129.1	168.8	183.5	176.2	188.2	208.3	185.0
Deutsche mark	15.7	38.0	33.8	31.7	30.8	38.1	34.5
French franc	1.7	4.3	3.6	3.3	2.9	3.3	3.5
Japanese yen	3.4	11.0	10.9	11.6	13.0	16.7	12.6
Pound sterling	3.7	7.5	5.6	6.3	7.1	9.2	7.1
Total 5 currencies	153.6	229.6	237.4	229.1	242.0	275.6	242.7
All currencies	192.7	292.9	292.6	284.3	307.0	344.9	304.3
(Percentage share in five-currency total)							
U.S. dollar	84.0	73.5	77.3	76.9	77.8	75.6	76.2
Deutsche mark	10.2	16.6	14.2	13.8	12.7	13.8	14.2
French franc	1.1	1.9	1.5	1.4	1.2	1.2	1.4
Japanese yen	2.2	4.8	4.6	5.1	5.4	6.1	5.2
Pound sterling	2.4	3.3	2.4	2.7	2.9	3.3	2.9

Source: IMF, Bureau of Statistics.

1/ Data used in connection with the 1980 Decision.

2/ The balances of European currency units (ECUs) held by EMS countries that correspond to their U.S. dollar deposits in the European Monetary Cooperation Fund (EMCF) are treated as official holdings of U.S. dollars.





Table 3. Basis for Determining the Weights of Currencies
in the SDR Valuation Basket

Currency	Issuing countries' exports of goods and services 1/ (In billions of SDRs)	Official holdings of currency 2/ (2)	Total of cols. (1) and (2) (3)	Weights as percentage of totals in col. (3) (4)	Rounded percentage weight (5)	Actual percentage weight (6)
	(1)	(2)	(3)	(4)	(5)	(6)
I. Latest data for 1980-84						
U.S. dollar	312.9	185.0	497.9	42.01	42	
Deutsche mark	193.5	34.5	228.0	19.24	19	
French franc	138.9	3.5	142.4	12.02	12	
Japanese yen	164.3	12.6	176.9	14.93	15	
Pound sterling	132.7	7.1	139.8	11.80	12	
<u>Total</u>	<u>942.4</u>	<u>242.7</u>	<u>1,185.1</u>	<u>100.00</u>	<u>100</u>	
Relative weight, in percent	79.5	20.5	100.0			
II. 1980 data 3/						
U.S. dollar	166.7	129.1	295.8	43.9	44	42
Deutsche mark	124.3	15.7	140.0	20.8	21	19
French franc	76.8	1.7	78.6	11.7	12	13
Japanese yen	79.3	3.4	82.7	12.3	12	13
Pound sterling	73.4	3.7	77.1	11.4	11	13
<u>Total</u>	<u>520.5</u>	<u>153.6</u>	<u>674.1</u>	<u>100.1</u>	<u>100</u>	<u>100</u>
Relative weight, in percent	77.2	22.8	100.0			

1/ Annual average figures.

2/ Average of year-end figures.

3/ Actual figures for the 1975-79 period available at the time of the 1980 Decision.

