

MASTER FILES

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04

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 85/71

10:00 a.m., May 6, 1985

J. de Larosière, Chairman

R. D. Erb, Deputy Managing Director

Executive DirectorsAlternate Executive Directors

A. Kafka

L. K. Doe
 D. C. Templeman, Temporary
 P. Péterfalvy, Temporary
 X. Blandin
 T. Alhaimus
 M. Sugita
 B. Goos
 T. Sirivedhin, Temporary
 G. W. K. Pickering, Temporary

K. A. Hansen, Temporary
 A. Abdallah
 M. A. Weitz, Temporary
 E. M. Ainley, Temporary
 G. Ortiz
 J. de Beaufort Wijnholds
 B. D. White, Temporary
 O. Kabbaj
 A. S. Jayawardena
 T. A. Clark

S. Zecchini
 Zhang Z.

Wang E.

L. Van Houtven, Secretary

R. S. Franklin, Assistant

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Also Present

African Department: J. Artus. European Department: E. O. C. Brehmer, S. Kashiwagi. Exchange and Trade Relations Department: J. T. Boorman. External Relations Department: N. K. Humphreys, Chief Editor. Fiscal Affairs Department: G. Blöndal, P. S. Heller. Legal Department: J. G. Evans, Jr., Deputy General Counsel; A. O. Liuksila, J. V. Surr. Research Department: A. D. Crockett, Deputy Director; R. R. Rhomberg, Deputy Director; J. M. Boughton, O. E. G. Johnson, M. E. Kepner, M. D. Knight, P. R. Masson. Treasurer's Department: A. G. Chandavarkar. Bureau of Computing Services: R. L. Kline. Bureau of Statistics: W. Dannemann, Director; A. C. Bouter, M. J. Brimble, J. B. Gupta, J. B. McLenaghan, J. V. Levin, J. C. O'Connor, M. R. P. Salgado, E. W. Saunders. Personal Assistant to the Managing Director: S. P. Collins. Advisors to Executive Directors: J. Hospedales, G. E. L. Nguyen, J.-C. Obame, A. Vasudevan, K. Yao. Assistants to Executive Directors: I. Angeloni, W.-R. Bengs, M. B. Chatah, R. Fox, V. Govindarajan, J. M. Jones, H. Kobayashi, R. Msadek, A. Mustafa, J. Reddy, A. A. Scholten.

1. REVIEW OF FUND STATISTICS

The Executive Directors considered an annual report on developments in 1984 in the Fund's statistical work (SM/85/63, 2/21/85).

The Director of the Bureau of Statistics remarked that since the issuance of the report--the first annual report on Fund statistics--further improvements had been registered in the coverage of statistics included in International Financial Statistics (IFS) particularly in the area of international banking; the situation with respect to currentness and frequency of reporting of data had not changed.

Mr. Wijnholds, noting the importance of statistics to the functioning of the institution, wondered, nonetheless, whether it was necessary to hold an annual review of statistics; a biennial review, with ad hoc intermediate reviews as developments warranted, might be sufficient.

The healthy state of Fund statistics at present was reflected in the clear improvement in the currentness of data published in IFS and in the better performance in reporting by member countries, Mr. Wijnholds continued. The experiment to include an appendix in Article IV consultation reports on the quality of statistics of the relevant country had proved useful and should be made permanent. Another important initiative taken in 1984 had been the action to establish a working party comprised of outside experts and Fund staff to investigate the discrepancy in world current account balances.

The efforts of the Bureau of Statistics to improve the statistical base of the Fund through the provision of technical assistance and the preparation of statistical manuals--including the latest one on money and banking statistics--were commendable, Mr. Wijnholds considered. Also welcome were the statistical courses offered at the IMF Institute. Still, despite the efforts of the Bureau, the number of statistical missions to member countries was growing, which raised the question of whether member countries were perhaps too liberal in their requests for free Fund assistance. In that regard, he had some reservations about the statement on page 3 of SM/85/63 that the large number of new requests for assistance pointed "to the possible need for long-term technical assistance in statistics, for which at present there is no comprehensive Fund program." In his view, the Fund should not consider developing a comprehensive program of Fund assistance; the collection of adequate statistics was a task that countries should, in principle, fulfill by themselves, with help from short-term Fund missions and IMF Institute courses. He was not challenging the need for ad hoc long-term technical assistance for, say, new members. However, making such assistance a permanent feature of the work of the Bureau of Statistics would be costly and might be an incentive for countries not to develop their own expertise in the area of financial and balance of payments statistics.

The expansion of statistics on international banking in IFS had improved the usefulness of that document, Mr. Wijnholds commented. The

intensive collaboration between the Fund and other international organizations in the field of international banking statistics suggested that there was a need to limit overlapping and to apply definitions as uniformly as possible in order to aid users. However, the suggestion to bring out a new Fund statistical publication on international banking statistics did not strike him as particularly helpful; the Fund should not be engaged in competition with other organizations for the presentation of material. Finally, he welcomed the collaboration with other international organizations in the collection of statistics on external debt, an area where the Fund had some expertise and some advantage from the point of view of data collection from the debtors themselves. The aim of developing a common framework for external debt statistics was commendable, and he looked forward to the day that IFS would be further enriched by data on external debt.

Mr. Templeman considered that Fund statistics were important for three reasons: they were helpful to member countries in formulating with confidence their economic policies; they aided the staff in analyzing and making useful recommendations to member countries; and they provided the domestic and international economic community with a basis for shaping their own plans and behavior.

In 1984 his chair had raised several questions that had adequately been addressed in the latest staff report, Mr. Templeman remarked. Work was under way to establish a data base on multiple exchange rates, and it was expected that some data would eventually be produced in IFS. The lack of information on interest rates had also been a matter of concern to his chair in 1984, and he was pleased to see that improvements in that area had been made. Budgetary data had been strengthened somewhat, although he remained concerned that annual reporting of such data was not adequate to the requirements for analysis and policy prescription. He was surprised to note that price data--an essential element of any data base--was not particularly good, and he welcomed the indication that attention would be given to improvements in price data, partly in connection with the exchange rate notification procedures.

Noting that the currentness in reporting performance of individual countries had improved somewhat, Mr. Templeman considered that statements in Article IV consultation reports on the status of statistical data in member countries had proved useful and, in a number of cases, had generated constructive advice and comments in the Executive Board. He was pleased by the expansion of international banking statistics and noted that by year-end nearly all of the banking centers that had originally been invited to participate in the program would be included. Another welcome development was the coordination that had taken place on debt data, a subject of great interest in both the private and public sectors of the United States. With the establishment of the working group on debt statistics, progress had been made to avoid duplication of work. He looked forward to the second meeting of the working group later in the year.

His chair had for some time been focusing on the need to update supplements to IFS periodically, Mr. Templeman remarked. Such supplements were useful not only because of the historical series that they could convey but also because the explanations of what was and was not included helped end users to employ the supplements with proper discretion. He also strongly supported the working group on the discrepancy in world current account balances, and he looked forward to the interim report from that group in December.

Technical assistance was an important basic function of the Fund, Mr. Templeman continued. Priority in the provision of technical assistance should be given to those countries that had received or were about to receive Fund financial assistance as well as to those only beginning to establish a basic data base. Like Mr. Wijnholds, he had mixed feelings about the proposal for long-term technical assistance, except perhaps on an ad hoc basis. It was important for the Fund to help countries to become self-sufficient in the collection and use of data; excessive dependence on the Fund should be avoided.

The development of a comprehensive data base system in the Fund was an essential yet complicated process, Mr. Templeman said. The Fund must of course keep abreast of technological developments if it was going to meet its future data needs; and close cooperation between the Bureau of Statistics and country desks was crucial. Finally, on the frequency of reports on statistics, he had an open mind about whether an annual or biennial review would be the more useful.

Mr. Clark joined others in welcoming the improvements in both currentness and coverage of statistics in IFS over the past year. He had been particularly pleased by the substantial increase in the number of countries providing interest rate data, although he noted from the table on page 5 of the report that further improvement was needed in both that area and in the area of government finance statistics.

The new tables showing information on international banking statistics were welcome, and he noted that the staff was considering wider dissemination of the data in a new statistical publication, Mr. Clark said. He would be interested in hearing more detail on that effort, particularly with respect to the proposed frequency of publication. Close cooperation with other national and international organizations producing similar data would also be important. Also welcome was the new practice of including in Article IV consultation reports a reference to the quality of statistics in member countries; that exercise had been worthwhile and should be continued.

Fund technical assistance had an important role to play in the area of statistics, Mr. Clark considered. He was thus pleased to see the proposal for a course on money and banking statistics to be offered by the IMF Institute. There might be cases where longer-term technical

assistance was needed and, like Mr. Wijnholds and others, he would be interested in hearing the staff's views on how such assistance should be provided and on what alternatives might exist to Fund involvement.

The staff should be encouraged to extend the coverage of IFS to include more series from the World Economic Outlook, Mr. Clark remarked; more generally, he welcomed the increased collaboration between the area departments and the Bureau of Statistics in reconciling data in IFS with that in Article IV consultation reports. Clearly, some constraints existed--including the problem of confidentiality--but there seemed to be potential for resource economies and scope for significant improvements in data consistency. Finally, he looked forward to the preliminary report of the working group studying the discrepancy in world current account balances.

Mr. Goos welcomed the successful efforts undertaken by the staff during 1984 to improve the quality of Fund statistics. In particular, he was pleased to note the enlarged scope and improved currentness of the material published in IFS, apparently as a result of improved data collection and reporting by most member countries. In that context, however, it was a matter of concern that in some instances the data on particular areas--such as government finance--were transmitted to the Bureau of Statistics with considerable delays and in other cases were not reported at all. It went without saying that accurate and current Fund statistics were essential for any comprehensive and conclusive assessment of economic and monetary policies of member countries and for the Fund's ability to perform its surveillance functions satisfactorily. Accordingly, he urged late and nonreporting member countries to improve their reporting performance without delay.

Remarking on more specific statistical issues, Mr. Goos considered that in view of the high foreign indebtedness of a number of Fund members, it would be useful if information on such indebtedness could be included in the country pages of IFS. The work of the International Compilers' Working Group on External Debt Statistics was particularly important in that regard, and he looked forward to the first report on the deliberations of that Group.

The increased emphasis on statistical issues in Article IV consultation reports, was also welcome, Mr. Goos continued. The experimental procedures adopted in that context had been helpful and should be maintained as a regular feature in consultation reports in order to focus attention on statistical problem areas. Specifically, the inclusion in Article IV consultation reports of appendices on the quality of statistics of member countries and the presentation of significant deviations between the statistics used in those reports and data in IFS constituted a useful innovation that deserved support. It might be helpful, in addition, if references to major statistical problems affecting economic analysis were also included in the staff reports.

The review of Fund statistics suggested that there were a significant number of countries facing problems in the coverage and quality of their data, Mr. Goos commented. In the circumstances, while he shared the doubts expressed by some about Fund involvement in long-term technical assistance, he would certainly recommend stepping up technical assistance in the statistics area in order to address the problems he had mentioned. In that vein, he welcomed the proposal to develop an IMF Institute course on money and banking statistics.

The staff had been making an effort, in cooperation with member countries, to establish more efficient systems for the collection and transmission of statistical data, Mr. Goos remarked. In his view, there was considerable scope for shortening the reporting time through wider use of magnetic tapes and, inasmuch as such tapes were already being used on a regular basis by countries like his own, reporting currentness might be further improved through other electronic means, including transmission of data via satellite. Of course, given the limited computer facilities in the Fund, the additional cost of introducing such an electronic system would have to be carefully weighed against the potential advantages of more rapidly available data. He could support the continued effort of the Fund toward establishing an integrated data management system, with the Economic Information System as its centerpiece. Progress toward that end thus far was encouraging.

The Bureau of Statistics should be commended for cooperating closely with other international organizations in the area of economic statistics, Mr. Goos said. That cooperation should be directed toward further standardization of statistical procedures in order to facilitate the exchange of data. Finally, on the frequency of review of Fund statistics, he agreed with those who felt that a one-year reporting cycle--with additional supplementary reports as warranted--should be sufficient.

Mr. Zecchini considered the establishment of an annual review of Fund statistics to be both appropriate and timely, especially given the importance attached by his authorities to the coverage and currentness of such data. The statistics on international banking were particularly useful in view of the comprehensiveness of the reporting area. He noted that two-monthly data covering the period ended December 1984 had been added to the May issue of IFS. In that context, he wondered whether there was any link between the publication of end-year data by the Fund and the publication of corresponding data by the BIS. Also, it would have been helpful if at least the November figures could have been provided earlier as a way of facilitating the use of such statistical information for central bank annual reports or other national publications that happened to be completed in the first quarter of the year.

The fact that significant discrepancies existed between data contained in IFS and corresponding data in, say, the World Economic Outlook was related to the fact that desk economists often needed to resort to data that did not always correspond to information in the Fund's statistical publications, Mr. Zecchini remarked. The new Economic Information

System was intended to help deal with that problem; but he wondered specifically whether it would resolve the discrepancies in data presentation as between the World Economic Outlook on the one hand and IFS and other statistical publications on the other.

The new classification system for the analysis of the World Economic Outlook had been successful in his view, Mr. Zecchini commented. The adoption of a richer "menu" of country groupings more oriented toward problems related to the management of international debt had improved the thoroughness and flexibility of analysis in the World Economic Outlook exercise. Of course, the change had created some relatively minor problems of continuity; in particular, there was a need to extend the data coverage of the introductory pages of IFS to include at least some of the categories used in the World Economic Outlook--such as the aggregate of indebted countries--and the groups of market, major, and official borrowers. The usefulness of additional data in those areas was greatest for those items relating more directly to the debt problem including reserves--in gold and foreign exchange--and Fund-related transactions.

His authorities felt that it would be useful if some statistics relating to the market for financial assets denominated in ECUs could be provided to complement the introductory tables of IFS, Mr. Zecchini said. Given the importance that the ECU had acquired in the denomination of foreign reserves as well as in the international credit and bond markets, at least some reference to interest rates on ECU-denominated credits and the amounts of foreign reserves held in that basket of currencies should be included in the IFS tables. Finally, with respect to the possible need for long-term technical assistance, his authorities believed that continuing Fund assistance in the area of statistics was crucial for ensuring the success of Fund lending programs as well as national policies, and he could support the staff's initiatives in that field.

Mr. Doe noted that the task of collecting statistical information and supplying it to the Fund was important because the performance of that task by member countries was a requirement under the Articles of Agreement and was, additionally, indicative of the degree of cooperation of member countries with the institution. The availability of adequate statistics was of paramount importance, because they provided the basis for analysis of the financial and economic performance of member countries, both individually and as part of the international community. Moreover, the analysis of past developments enabled the authorities to make forecasts which, depending upon whether or not they were realized, might call for policy changes. In that regard, the Fund's efforts to assist members in gathering and disseminating economic and financial data were most welcome.

A noticeable improvement in the coverage of Fund statistics had occurred during 1984, Mr. Doe continued. Indeed, the number of countries covered in IFS had increased to 134. It was to be hoped that the technical difficulties referred to by the staff that appeared to limit at present a further expansion of the data could be resolved and that coverage could be increased even more.

With regard to the currentness of statistical data, Mr. Doe agreed with the staff that legal requirements concerning the date of closing or finalizing certain operations might give rise to delays in the updating or reporting of some data. Other considerations might introduce delays as well. For example, the shortage of manpower could make the collection and swift reporting of statistical information quite difficult; similarly, the complexity of the report forms prepared on the basis of methodologies with which the personnel of some of the relevant agencies were not fully familiar and the lack of adequate data processing equipment could be responsible for the delays noticed in the reporting of statistical information to the Fund. Any assistance the staff could provide in identifying and satisfactorily resolving those and other problems would be welcome.

The staff had devised a measurement of the reporting performance of countries based on the number of report forms returned during a year, Mr. Doe observed. While such counting certainly gave an indication of countries' response to the requests, it was important as well to take into account factors such as a regular reporting of recently revised data without any updating of those data.

Finally, the efforts of various departments of the Fund to provide technical assistance to members were appreciated by the national authorities of the countries represented by his chair, Mr. Doe remarked. The number of technical assistance missions, which had been relatively high in recent years, was expected to increase in future; and he hoped the requests for further assistance would be met. In that respect, his views were somewhat different from those of earlier speakers. As reported by the staff, much of the Fund's technical assistance in the preparation and supply of statistical data was of a short-term nature. While that was appropriate in most instances, ways should be devised to accommodate requests for technical assistance over a longer period of time. Also important were follow-up missions aimed at ensuring the continuation of improved economic and financial statistical information from members. Finally, he welcomed the preparation of a manual on monetary data and the revision of the public finance manual.

Mr. Blandin recalled that during the most recent discussion on the Administrative Budget, some Directors had sounded a cautious note about the expansion of the Fund and its activities. In the circumstances, the Bureau of Statistics in particular would be well advised to limit its statistical coverage to essential areas or areas of main interest to the Fund and its members. In that regard, he would be reluctant to overextend the scope of publications, especially with respect to international banking activities; the Fund should rather concentrate on improving or even streamlining the coverage and currentness of its existing publications.

During previous discussions on Fund statistics, his chair had underlined the necessity for a harmonization of data as between the Fund and other international organizations, especially the World Bank, Mr. Blandin continued. An effort should be made not to overload individual countries' administrations with similar or overlapping requests for data; by the

same token, the staffs of different institutions should coordinate their efforts to help countries to fulfill the demands for data made upon them.

In his view, the reference in Article IV consultation reports to the adequacy of members' statistics should be made only when countries were experiencing significant difficulties in complying with their obligations to provide statistics to the Fund, Mr. Blandin commented. Even then, the reference should be only in an appendix, unless the lack of data was having a detrimental effect on Fund programs or was making difficult an accurate assessment of the economic policies of the relevant country. In sum, while the provision of statistics to the Fund was of course important, reference to it should play only an accessory role in Article IV consultations and should not overshadow the primary aim of assessing the economic policies of member countries.

The concerns he had mentioned aside, his authorities had praise for the quality of the staff's work on statistics, particularly during the recent period of very heavy Fund work load, Mr. Blandin said. His authorities were especially appreciative of the Fund technical assistance provided both in countries themselves or at headquarters. They were also happy with the establishment of a working party to deal with the discrepancy in world current account balances and with the fine job done by the staff on member country national accounts, which reflected good cooperation among a number of international organizations. On the other hand, he shared Mr. Wijnholds's concerns on the proposal to provide long-term technical assistance, except perhaps on an ad hoc basis. Finally, he had no difficulty with annual reviews of Fund statistics.

Mr. Alhaimus remarked that it was clear from the first annual report on Fund statistics that progress had been made in a number of areas, including the coverage of data, the methodological work, the steps taken toward establishing a comprehensive data base management system in the Fund, the reference to statistical issues in Article IV consultation reports, and the response to technical assistance requests by member countries. Of course, there remained some problems with respect to the coverage and currentness of data; and, in that respect, he welcomed the efforts being made to include pages on new member countries, including the Maldives, although he noted that progress in improving the data bases for individual developing countries would remain uneven for a variety of reasons. In many cases, the problems were a lack of human and material resources, and there were circumstances in which security considerations were crucial for some countries. Technical assistance by the Fund and other international organizations could help to alleviate the problem in many cases and, in that regard, he agreed that the demand by member countries for technical assistance pointed to the need for possible long-term technical assistance in the area of statistics. Perhaps the staff could pursue the question and suggest guidelines for such longer-term assistance, taking into account the experience of the United Nations in that area.

He took note of the work currently under way toward establishing a data base on multiple exchange rates, and would be grateful if the staff could elaborate on how such data would be presented in IFS, Mr. Alhaimus remarked. For example, it would be helpful to know whether the data would be presented in a separate table or in country pages and whether there would be explanations on the transactions covered by each rate. On another matter, he observed that the revised English language version of the manual on Government Finance Statistics would be circulated shortly. He welcomed the intention of the staff to undertake translation of the manual into two other languages and expressed the hope that it could also be translated into Arabic, which would make it particularly useful to nearly 20 member countries. The Fund's balance of payments manual had already been published in Arabic, and similar translations should be envisaged for the final version of the new Guide to Money and Banking Statistics.

Mr. Ortiz, observing that Fund statistics were a vital element of the work of the institution and of a growing number of other institutions worldwide, considered that the importance of the statistical publications of the Fund was underlined by the significant rise in circulation of IFS of 6 percent between February and December 1984. The increase in coverage in IFS had resulted from both the addition of data on new member countries and the expansion of topical coverage. It was particularly important to continue efforts to incorporate data on new members not only for the sake of expanding the coverage and completeness of the publication but also because, in many instances, the inclusion of a member in IFS had a significant impact on the development of domestic data systems, which were indispensable for the adequate conduct of economic policy. In that respect, the provision of technical assistance--including long-term assistance--to new members and to other countries where data bases and information systems were still inadequate was of particular importance.

The recent expansion in the area of international banking statistics was of paramount importance to the analysis and understanding of capital flow patterns between countries and regions, Mr. Ortiz continued. The coverage of the data was comprehensive at present, but efforts should continue toward expanding such coverage. In particular, it would be useful to disaggregate the financial claims and liabilities of deposit banks in major financial centers between official and nonofficial holders of the claims and liabilities. Such a disaggregation would greatly facilitate the analysis of capital flows between, for instance, developing countries and financial centers. Since the current presentation of cross-border deposits of nonbanks by residence of depositors included both private and official deposits, it was not possible to distinguish whether the increase in banking center liabilities to the residents of developing countries represented an increase in deposits from the central banks of those countries--reflecting perhaps a rise in international reserves--or whether those liabilities were mirroring capital flight. It was clear that, for certain important types of analysis, the possibility of making that distinction was important.

With regard to the currentness of data in IFS, it was encouraging to note that the number of countries for which no lags in reporting of monthly data series and balance of payments data had increased, Mr. Ortiz said. On the other hand, no clear pattern was discernible from Table 1 of SM/85/63 or the accompanying charts that included information on currentness for more than one-month lags. Efforts should continue to be made to convince national authorities of the importance of reporting information to the Fund; however, significant progress in data reporting on a large scale would be possible only when the Fund's computer facilities allowed for the reception of data through electronic means that would eliminate the delays inherent in both tape reporting and in the more traditional method of reporting through questionnaires.

Remarking on possible developments in Fund statistics, Mr. Ortiz observed that work on the Economic Information System was proceeding satisfactorily. The need for a flexible system capable of handling the data base requirements of country desk economists was particularly important, since a great deal of time was spent by country economists exclusively on the maintenance of data bases that were currently outside the Data Fund System. Similarly, a good proportion of time in Article IV consultations was spent in the gathering and updating of information that was in many cases unrelated to statistics in IFS. Given the current and prospective work load of the staff, developments in the area of information systems was vital to ensure that the quality of the work performed by the staff did not deteriorate. In his view, the overall quality of program design would benefit if the staff could devote more time to analysis and less time to the gathering of data.

Mr. Sugita considered that progress had been made in improving the currentness and coverage of data in IFS, including the addition of new pages for two member countries and an expansion of data on interest rates for a larger number of countries. Improvements had also been registered during the past year in reporting performance of member countries. Nevertheless, the table on page 10 of SM/85/63 showed that some 30 percent of Fund member countries were among those shown to be returning to the Fund less than one quarter of the total report forms required. In the circumstances, efforts must be continued to further improve the reporting performance of member countries, perhaps through Fund technical assistance. At the same time, demand for technical assistance had been increasing to the point at which the Fund had been unable to meet all requests. Hence, he supported the suggestion that the Fund give priority to meeting requests by those members in the early stages of developing a statistical base and to members requesting the use of Fund resources. As for the proposal for technical assistance on a longer-term basis, he shared some of the concerns put forward by Mr. Wijnholds and others, although he would appreciate hearing more information from the staff about what types of countries and under what circumstances requests for long-term technical assistance had been made.

The large discrepancy in world current account balances was a source of great concern, and he welcomed the undertaking by the Fund to establish a working party to study the major sources of that discrepancy, Mr. Sugita continued. Other developments in the area of statistics were related to the improvements that had been achieved by using magnetic tape to relay information more rapidly to the Fund. He was somewhat more skeptical about the proposal to move to data collection through electronic means, which in his view would only marginally enhance the timeliness of the data provided by those countries able to use such means. It would not resolve the problem of the large number of countries that provided data only with significant delays. Finally, it was important to ensure that member countries conformed to standards established by the Fund as a way of maintaining international comparability of statistics. Of course, there might be cases where the exercise of some flexibility was warranted, particularly if and when the deviations were relatively minor and the cost involved in changing long-standing practices of member countries would be substantial.

Mr. Jayawardena noted that while good statistics were vital to the working of the Fund and the smooth functioning of the international financial system, the gathering and presentation of such data was not particularly "glamorous." Those functions at present were handled at the level of a bureau in the Fund, a position somewhat lower than that of a department. In view of the critical importance of the statistical function in the Fund, consideration should be given to elevating the Bureau of Statistics to the status of a department, a move which would also help attract the personnel necessary to deal with the many conceptual and problematic issues arising in the processing of such a large volume of data. In that regard, the Bureau of Statistics should be mindful of the international comparability of the data it presented and should be in close touch with other international organizations to ensure data consistency, particularly in those instances in which data were aggregated by broad categories.

The continuation of technical assistance to countries to improve data collection and presentation was welcome, Mr. Jayawardena continued. In that regard, new IMF Institute courses would be helpful, as would occasional gatherings of statistical correspondents to discuss mutual problems. Just as was the case in the Fund, the statistical function in member countries was accorded low priority; as a result, good personnel tended to prefer more directly operational functions. Upgrading the skills of national statisticians could help to correct the situation somewhat.

While endorsing the work program of the Bureau, he was inclined to agree with those who felt that existing statistical publications should be improved before new projects and publications were undertaken, Mr. Jayawardena said. For example, in the compilation of international banking statistics, the Bureau should not duplicate the work of other organizations. Finally, noting that statistical manuals would be published in the languages used by the Fund, he wondered whether the Fund would

sponsor translations of those invaluable manuals to other languages as well in order to broaden the readership and operational significance of the publications.

Mr. Weitz, welcoming the first annual report on Fund statistics, said that he would limit his remarks to four specific points. First, his authorities supported the staff's suggestion that the practice of including statements on statistical issues in staff reports on Article IV consultations should be continued on a regular basis. Second, noting an increase in demand by several countries for technical assistance in the area of statistics during 1984, he considered that member countries had benefited greatly from the advice of Fund experts in the compilation of statistics. However, in some cases it was necessary to schedule missions for a period longer than two to three weeks. Third, on a related matter, he could support the proposal to enlarge the courses offered by the IMF Institute to include those on money and banking statistics. Finally, like others, he did not believe that the Fund should become involved in long-term technical assistance in the area of statistics; such assistance could perhaps better be provided by other international organizations.

Mr. Ainley joined those welcoming the improvements in country reporting and in coverage and currentness of data in IFS. The remaining gaps were in some ways not surprising, given the enormous administrative constraints faced by some members in compiling and reporting data; in that regard the Fund should perhaps be satisfied with steady rather than dramatic progress. He welcomed the new courses being offered by the IMF Institute on money and banking statistics as a way of encouraging such progress.

The close collaboration of the Bureau of Statistics with other international organizations was to be commended as it helped to eliminate unnecessary duplication of information and to establish consistent data in areas of critical importance for individual members and for the system as a whole, Mr. Ainley continued. He could support the practice of incorporating a statistical appendix in Article IV consultation reports; the practice was working well and should be continued.

He noted from page 12 of the staff paper that "there is...a growing potential for the reporting of data through electronic means..." Mr. Ainley remarked. Further on, however, the staff had observed that "the Fund's computer facilities at present do not allow the staff to respond to requests from member countries to establish such arrangements." If there was indeed potential for electronic data reporting, the computer facilities of the Fund should be sufficiently modern to help the staff realize that potential.

Fund technical assistance in the area of statistics was particularly valuable, Mr. Ainley considered. He noted in that regard that the staff was focusing on the possibility of sending technical assistance missions in advance of use of Fund resources, a move that seemed a sensible way of establishing a framework within which to implement and monitor the necessary

measures that had to be adopted in member countries. Like Mr. Templeman, he had an open mind on the potential for long-term technical assistance in the area of statistics. No one questioned the need for such assistance in some countries; the real question was how much the Fund could or should do, given the constraints on its own resources and manpower. In that respect, it was perhaps better to continue to provide longer-term assistance only on an ad hoc basis. Like Mr. Clark, he would be interested in hearing what other international organizations were doing in the area of long-term technical assistance. Finally, while he was open-minded about the frequency of reviews on Fund statistics, he believed that a Board discussion every 18 months should be sufficient.

Mr. Pickering stated that he was pleased at the progress that had occurred over the past year in the statistical area. For example, he welcomed the new procedure of including assessments in Article IV consultation reports of the reporting performance of individual countries. That practice appeared to have spurred better reporting from a number of members.

Demand for technical assistance by member countries to improve their data bases was high, and the fulfillment of those requests had helped to improve the availability and quality of statistics from member countries, Mr. Pickering continued. His authorities attached importance to improving the statistical bases on which member countries formulated their economic policies and which were used by outside observers--including potential creditors--to follow developments in member countries more easily. Still, like Mr. Wijnholds and others, he wondered whether the Fund had the capacity for more extensive technical assistance beyond the current three- to four-week missions. He would appreciate hearing some estimate of the cost of enlarging the Fund's technical assistance service before agreeing to make such changes.

The integration of the data series used by country desk economists should serve to improve the work of the area departments, Mr. Pickering commented. He would be interested in knowing whether the three-year experience with the FRANCS study had had an impact on the series used in IFS. More specifically, did the FRANCS study result in changes in the series used in IFS that improved their timeliness or quality. On a related matter, as his chair had observed on a number of occasions, the Fund might wish to reconsider providing some series not currently included in IFS but focused upon by national authorities. The change would involve a slight expansion of IFS, which was already approaching its maximum size, but it would permit the general public and national authorities to follow important economic developments on a more timely basis. It might also be useful to consider publishing in IFS any aggregates targeted for scrutiny under enhanced surveillance procedures.

It was questionable in his view whether the upgrading of computer facilities in the Fund would over time permit countries to provide direct computer linkages for transmission of data for IFS, Mr. Pickering said. If scope existed for such improvements, however, he wondered how soon the linkages could be operational and could begin to reduce the current lags

in the provision of statistics from some countries for publication in IFS. For example, data on foreign assets and liabilities of chartered banks in the May issue of IFS were four months behind that available in Canada, and there was a two-month lag with respect to data on consumer prices.

The inclusion of external debt statistics on the country pages in IFS was a welcome innovation and a reflection of expanding Fund expertise in the area of international debt, Mr. Pickering observed. The Fund was also expanding coverage on international banking statistics, and a separate publication on international banking had been proposed. He had some reservations about such a publication at the present stage, and would welcome cost estimates from the staff. Finally, in response to the suggestion in Appendix III that Ireland's reporting performance had been deficient in respect of deposit money banks and other financial institutions, he noted that the absence of data for two years from February 1983 was in fact attributable to a complete revision of the basis of compilation of Irish statistics, which had required a major revision to Ireland's page in IFS. He was happy to report that the Central Bank of Ireland and the Bureau of Statistics had been corresponding regularly and were nearing agreement on a new IFS format, which would enable publication of current data within a few months.

Mr. Hansen remarked that he had no major difficulties with the report on Fund statistics and welcomed the improvement made in 1984. Like Mr. Blandin, he believed that emphasis should be placed on streamlining the current data base before embarking too much on expansion in the statistical area. He was somewhat hesitant about agreeing to a program for long-term technical assistance, although he could support such assistance on an ad hoc basis. Finally, an annual cycle for reports on Fund statistics seemed reasonable, although he was open-minded on the matter.

Mr. Zhang stated that his authorities were appreciative of the technical assistance provided by the Bureau of Statistics in continuing to hold training seminars in China. They also welcomed the proposal of the Bureau to continue technical assistance activities on a longer-term basis.

Mr. Goos, recalling a point raised in Mr. Jayawardena's intervention, said that he would be grateful for an explanation of why statistics in the Fund were dealt with by a bureau rather than a full-fledged department and how the organizational arrangements in the Fund compared with those in other institutions.

The Director of the Bureau of Statistics remarked that, in line with increases in the Fund's overall activities, participation by Bureau of Statistics staff in use of Fund resources missions and in related area department activities had increased in recent years. The question was whether longer-term technical assistance should be provided by the Bureau of Statistics. On the normal two- to three-week missions, the contribution

of Bureau staff was limited to making recommendations for country officials to follow in compiling national statistics and often took the form of an official report left with the authorities as an overall guideline, together with international manuals on statistical concepts. Of course, long-term technical assistance in the area of statistics was already being provided to some members. Nearly half of the experts visiting countries on a long-term technical assistance exercise under the auspices of the Central Banking Department cleared their briefing with the Bureau of Statistics. At present, however, the experts could spend only a limited amount of their time in the area of statistics, and that was where he saw scope for some expansion of activity.

Several speakers had questioned the steps proposed for separate statistical publications on banking and external debt, the Director recalled. To some extent, the proposal was based on the fact that monthly issues of IFS had become rather comprehensive in their technical presentation; in time, when the Fund and the international community were sufficiently advanced in the collection of data on international banking and external debt, it might be advisable to produce a separate publication on those two topics as a way of keeping the size of IFS manageable.

Responding to specific questions or proposals, the Director observed, first, that the staff was attempting to provide more information on definitions of statistics in IFS. Of course, a comprehensive body of international manuals in the area of national accounts, government finance, money and banking, and the balance of payments already existed, but the use of definitional and conceptual statements in IFS was somewhat limited. The staff was attempting to bridge the gap by carrying more substantive conceptual and definitional information in the series of supplements to IFS. Another question raised by Directors concerned the effort to provide more information on multiple exchange rates in IFS. Unfortunately, the work toward that end had not proceeded as smoothly as expected, mainly because the subject was a complex one. The staff of the Bureau had been in touch with member countries and with the Exchange and Trade Relations Department and other interested Fund departments on the matter in an effort to overcome some of the obstacles to the development in IFS of a time series as distinct from one-time ad hoc information from certain periods and changes in exchange and trade systems. Subsequent changes in the multiple exchange rate systems of countries employing such systems had to deal with relatively ad hoc changes in information, which did not necessarily lead to a consistent time series. To date, based on discussions with member countries, the staff had compiled time series for 20 countries using various Fund documents; and those time series, together with accompanying textual material, were being reviewed for eventual publication. His own preference was to add those statistics to the exchange rate sector of the country pages of IFS rather than gathering them together in world tables, especially since their international comparability was rather low.

A complex issue had been raised with respect to the possible larger use of Fund statistics processed elsewhere--particularly in the context of the World Economic Outlook exercise--for Fund publication, the Director

commented. The Bureau of Statistics was in close contact with all other departments producing statistics, some of which were more current than the data the Bureau was able to collect from member countries. Unfortunately, some of those data were on the borderline between hard numbers and forecasts, and it was difficult to decide what it would be reasonable to publish. In its own publications, the Bureau of Statistics had restricted estimation procedures to those that could be used commonly throughout all countries; and those procedures were used mainly in the context of the world tables in IFS as explained in the notes and introduction to that publication; the Bureau did not use ad hoc extrapolation to fill in gaps of information on individual country pages.

Responding to questions on the progress of the working group on the discrepancy of the world's balance of payments statistics, the Director noted that a preliminary report would be presented to the Executive Board by the end of the year. With regard to questions on the electronic transfer of information in various forms, a distinction must be made between information provided on magnetic tapes and the instantaneous satellite transfer of information from computer to computer. The Fund had no major difficulty with respect to the provision of information on magnetic tapes; it undertook to convert such information into its own format, and the existing computer system easily handled such transfers. The Fund was not at present in a position to communicate directly via satellite for the transfer of information, although it was expected that the new computer facilities would give the Fund the capability to make such transfers.

The note of caution sounded by Mr. Blandin on the expansion of statistics covered in Fund publications was welcome, the Director continued. Certainly, the statistical needs of the institution should be carefully analyzed and a determination should be made about what information the Fund wished to carry in its publications. A related matter concerned the collaboration between the Fund and the World Bank in the area of statistics. Aside from a small proportion of information that could be classified as confidential, a free exchange of information took place, and there was very little overlap. In its own statistical exercises, the Bank's questionnaires did not demand the same information as that requested by the Fund, even in the areas of external debt. The Fund asked for external debt data in the context of countries' balance of payments, government finance, and monetary accounts; the World Bank debtor reporting system was primarily one that disaggregated the information on a loan-by-loan basis. However, there were two other aspects to the question that should perhaps be mentioned. Staff in the Fund and Bank--other than those in the specific statistical departments--sometimes employed questionnaires in the context of consultations or requests for use of Fund resources; and there might well be some overlap between the two institutions in those areas. Another element of cooperation related to the computer aspects of statistical work and the subsequent exchange of information between the Fund and Bank. In the past, the two institutions had developed rather independent systems; but it was hoped that, with the development of the new Economic Information System, the gap between the Fund and Bank in the field of statistics would narrow.

On the extent to which the Fund was in contact with other international organizations with regard to the presentation of statistics in Fund publications, the Director noted that there were internationally accepted methodologies for presenting statistics, and those were certainly routinely reviewed in the effort to determine whether data could be more efficiently presented in individual country pages or in world tables.

The Assistant Director of the Bureau of Statistics recalled that a number of questions had been raised on the FRANCS exercise, the Economic Information System, and the compatibility of data presented in IFS with that used for purposes of the Fund's internal operations. More particularly, Mr. Zecchini had inquired whether the Economic Information System would enable the Fund to resolve discrepancies in data presented in IFS from that presented in other publications, including the World Economic Outlook. The question had also been raised about the extent to which the Economic Information System would relieve Fund desk economists from some basic data work, which at present took up much of their time.

The process of data integration had been under way for nearly three years on the basis of the FRANCS project in which an effort had been made to identify and reconcile, for some key series, significant differences between data maintained in the Data Fund System and data needed on a day-to-day basis by Fund desk economists, the Assistant Director observed. The project had been fairly modest in scope, covering some 25 countries, and focusing on 50-60 key series. During that early stage, intensive collaboration had taken place between the responsible Bureau of Statistics economists and their counterparts in the area departments to work out reconcilable issues. The experience had demonstrated just how difficult it would be to undertake a similar project on a grander scale; nevertheless, a decision had been taken to establish a new Economic Information System to replace the Data Fund System and to provide a broader framework for the regular publication of internationally comparable data compiled in accordance with the standards of the Fund while at the same time offering an opportunity for the collection and maintenance of statistics required by the Fund's desk economists and those in other area and functional departments, including information that would eventually find its way into the World Economic Outlook publications. The Fund was at present in the process of converting to the new computer system, an exercise that was being conducted *pari passu* with the existing production of publications for the remainder of 1985. It was to be hoped that by the beginning of 1986 the publication work would be converted and the publications themselves could be issued on the basis of the new Economic Information System. At that point, the Data Fund System would be phased out.

The work being done by Fund area department economists--particularly in conjunction with the FRANCS project--had been painstaking, the Assistant Director continued. The FRANCS working group had been seeking to develop a catalog of economic time series. While still in the formative stages, that catalog--which would cover some 800-1,000 time series--was nearly at the point at which it could be discussed with area departments. The catalog would represent a standard data base from which data could be

drawn in whatever form desk economists wished. Of course, the Economic Information System would not in itself resolve the differences between IFS data and data produced by area departments; on the other hand, the system would provide an opportunity for the collection and maintenance of statistics on an ongoing basis for use in Fund statistical publications or by desk economists. Residual statistics would still exist; indeed, no system was large enough to encompass all the data that might be required for any individual country report, but the system would help to limit the time spent by area departments in gathering and organizing data.

On a technical point, the Assistant Director reported that, at present, the Fund was receiving data information on magnetic tape from some 15 countries each month. The tapes for 7 of those countries were regularly in use in the production of statistics, while the Fund was experimenting with data on tapes from the remaining 8 countries. Finally, with respect to the International Compilers' Working Group on External Debt Statistics, consideration was being given to a publication to be issued jointly by the institutions that were members of the working group; that matter was among those that would be discussed at the next meeting of the group.

The Deputy Managing Director, remarking on the importance of integrating the data reported in IFS with that in the World Economic Outlook exercise and the information gathered by desk economists, noted that the Executive Committee for Computer Services was giving high priority to reviewing the technical aspects of how best to improve the integration of data through the expanded use of microcomputers by area departments.

The Chairman noted that all Directors had pointed to the importance of statistics in the work of the Fund and had strongly supported the work program of the Bureau of Statistics, except the proposal for a program of long-term technical assistance. The appetite of members for such assistance was perhaps unlimited, and the institution could not embark on a program of long-term technical assistance without knowing more about the budgetary implications of such a move. The Executive Board had rightly cautioned that long-term technical assistance should for the time being continue to be supplied on an ad hoc basis. Generally speaking, the costs to the Fund of gathering and disseminating statistical information were large; and, while the Fund's statistical function was certainly an important one, a prudent approach should be taken toward proposals for any expansion in Fund activities, whatever the area.

Directors had taken note of improvements in the currentness and coverage of Fund statistics and had indicated that they looked forward to further progress, particularly in the area of statistics on government finance, the Chairman noted. They had generally approved of the mentioning of the adequacy of statistics in Article IV consultation reports and of the efforts to improve collaboration with other international organizations in gathering statistics, particularly on international banking. Directors had also remarked on the important work undertaken on external

debt data; and he had noted Mr. Goos's suggestion that information on external debt should perhaps be included in the country pages of IFS at some stage.

A number of Directors had indicated that they would be following closely the progress of the working group on statistical discrepancy in world current account balances, the interim report of which was due toward the end of 1985, the Chairman commented. Also welcomed was the new IMF Institute course on money and banking statistics.

An interesting discussion had taken place on the development of an integrated data base in the Fund and on the importance of increased collaboration among area departments and the Bureau of Statistics with a view to harmonizing and centralizing country data, the Chairman observed. Also, most of those who had spoken had indicated that an annual report on Fund statistics was appropriate. Finally, answers to questions on the organizational status of the Bureau of Statistics could best be provided at the conclusion of the job evaluation exercise currently under way in the Fund. It would be premature to make any comments of substance at the present stage on the status of the Bureau of Statistics before more was known about the results of the job evaluation study.

The Executive Board then took the following decision:

The Executive Directors took note of the Chairman's concluding remarks and agreed that reports reviewing Fund statistics should be made annually, with additional reports if warranted by developments.

Adopted May 6, 1985

2. ANNUAL REPORT, 1985 - OUTLINE OF CONTENTS AND PROCEDURES

The Executive Directors considered a staff paper on procedures and a proposed outline of contents for the 1985 Annual Report (EBD/85/108, 4/25/85; and Cor. 1, 5/2/85).

Mr. Kafka noted that Chapter 1 of the Annual Report covered essentially the same ground as the World Economic Outlook. Consideration should perhaps be given to eliminating such duplication, particularly since the Annual Report and the second publication of the World Economic Outlook were put out at approximately the same time.

Mr. Templeman inquired whether there were likely to be any new elements in the 1985 Annual Report. He presumed, in that regard, that the reference on page 2 of EBD/85/108 to "declarations of ineligibility to use the Fund's resources" was new and corresponded to what had been agreed in the Board in connection with discussions on overdue financial obligations to the Fund.

The Deputy Director of the Research Department replied that the broad outline of the Annual Report was similar to those of previous years, although there had been a tendency more recently to give broader scope to the discussion of international capital market developments in the international liquidity section of Chapter II.

The staff representative from the Treasurer's Department noted that in addition to the declarations of ineligibility, the aggregate of overdue financial obligations that were overdue for six months or more would be recorded by category.

The Deputy Director of the Research Department, remarking on a point raised by Mr. Kafka, observed that Chapter I of the Annual Report would bring up to date some of the material prepared for the World Economic Outlook considered by the Executive Board on April 1 and 3. In that respect, the Annual Report took a strictly retrospective approach; it did not include forward-looking scenarios or forecasts.

The Chairman commented that following Mr. Kafka's logic and making an effort to avoid any overlap in the two publications would leave the Fund with two choices. One was to do away with the presentation of world economic developments in Chapter I of the Annual Report and to focus instead on the activities of the Fund, but with a first chapter on international liquidity. The alternative was to avoid the autumn publication of the World Economic Outlook. The question must be asked whether the first approach would in some way weaken the Annual Report and whether the second would be contrary to the evolution of policy regarding publication of the World Economic Outlook papers. It must be asked in the circumstances whether Directors were sufficiently concerned about the overlap of the two publications to make the sort of changes he had outlined.

Mr. Ainley noted that the Annual Report was a formal report of the Executive Board and should be reasonably complete. Even if Chapter I of the Report could usefully be shortened, it should not be eliminated entirely.

The Chief Editor added that his 20-year association with the Annual Report had made him a firm believer in the value of a comprehensive yearly report by the institution. In that respect, he was concerned about suggestions to truncate or discontinue Chapter I of the Report. Because that chapter took only a retrospective view of world economic developments, there was perhaps less overlap in coverage than Mr. Kafka had suggested; moreover, it was important that a general overview of global economic developments be provided as the basis for discussing key issues in the remainder of the report. In any event, the concerns about overlapping had to some extent been taken into account in the decision to produce a rather brief World Economic Outlook paper in the autumn.

Mr. Templeman, noting that the language of the Annual Report was subject to greater editorial control by the Executive Board than was the World Economic Outlook paper, wondered whether any significant differences arose in the description of world economic developments in the two publications.

The Deputy Director of the Research Department remarked that the contribution made by the Board to the drafting of Chapter I of the Annual Report had been limited mainly to points of emphasis and selection of material. He could recall no instances in which the Board had gone so far as to contradict the earlier produced description of developments in the World Economic Outlook paper. That was not to say that such discrepancies could not occur, but they were in his view highly unlikely.

Mr. Pickering agreed with Mr. Ainley and the Chief Editor that it was important to emphasize the distinction between the World Economic Outlook paper and the Annual Report, which was a report of the Executive Board. Rather than thinking of ways to shorten or eliminate Chapter I of the Annual Report, it might be better to question the need for the Fund to publish a mini-World Economic Outlook paper in the autumn. His chair might well have been responsible for having suggested that a way be found to give some official status to the up-to-date forecasts that were often circulating at the time of the Interim Committee meetings in the spring and fall. But the staff's proposal in August 1984 to publish a mini-World Economic Outlook paper had gone somewhat further than his chair--which had envisaged a short press release covering broad forecasts like world economic growth in 1985/86--had originally wanted. Since the World Economic Outlook exercise was mainly a forecasting exercise and there were relatively few changes from the document discussed by the Board, it might be preferable to publish only the original staff report on the World Economic Outlook rather than an updated minipublication.

Mr. Hansen said that while he had some sympathy for Mr. Kafka's proposal to reduce overlapping, he noted that the annual reports of the Bank for International Settlements and other central banks normally incorporated a chapter that discussed trends in the world economy. In the circumstances, if Chapter I could be kept to a reasonable size, it should serve as a useful background for the following chapter on the international monetary system.

Mr. Alhaimus wondered whether the updated information for the World Economic Outlook exercise could not easily be published as an annex to the Annual Report.

Mr. Goos said that he tended to agree with Mr. Hansen that deleting Chapter I from the Annual Report could be awkward; some background information was necessary as an aid to understanding what was written in later chapters. Hence, he was inclined to leave the basic structure of the Annual Report as it was, accommodating Mr. Kafka's concerns by shortening the text where possible.

Mr. Zecchini agreed with Mr. Kafka that there was a need to avoid duplication between the World Economic Outlook papers and the Fund's Annual Report. At the same time, it was clear that the Annual Report of the Fund must be sufficiently comprehensive. As others had noted, the Annual Report by definition was retrospective, while the World Economic Outlook was a more forward-looking document. By stressing the difference in the nature of the two documents, duplication could be avoided, especially if the staff worked toward making the World Economic Outlook paper more manageable by focusing more on analytical issues.

Mr. Wijnholds, agreeing with Mr. Kafka that duplication should be avoided as much as possible, said that he was convinced of the need for two separate publications. Like Mr. Zecchini, he felt that Chapter I of the Annual Report could be given a leaner look by ensuring that it was primarily retrospective; at the same time, an effort should be made to ensure that the World Economic Outlook was a more analytical and forward-looking document.

Mr. Clark stated that he would be content to leave Chapter I of the Annual Report more or less as it was while accepting a more "stripped down" version of the World Economic Outlook. In 1984, the Outlook had been published as an "Occasional Paper," and he would be content to continue with that procedure in 1985, although it might be appropriate to examine the alternative put forward by Mr. Pickering of producing the necessary updated information in the form of a press release.

The Chief Editor observed that the updated version of the World Economic Outlook had been referred to in promotional literature already circulated, and its elimination might take some by surprise. It should be noted in that regard that sales of the published version of the World Economic Outlook were on an upward trend; it was expected that 30,000 copies would be printed in 1985, a number exceeding the print run for the Annual Report.

The Chairman remarked that there seemed to be a clear consensus in the Board in favor of maintaining the integrity of the Annual Report. Indeed, one Director had rightly hinted that the Annual Report was the formal vehicle by which the Executive Board of the Fund set the agenda for the general discussion by Governors at the Annual Meeting. Still, Chapter I should be kept reasonably short, with a retrospective focus on economic developments that had shaped the environment for Fund policies in the past year.

The autumn issue of the World Economic Outlook had been gaining favor over a number of years, the Chairman continued. He would be reluctant to replace that publication with a press release simply to avoid duplication of information in the Annual Report. As Mr. Zecchini had rightly noted, the World Economic Outlook was a more analytically oriented and forward-looking document than the Annual Report, and its forecasts and scenarios were a useful tool in the Fund's multilateral surveillance exercise. In that respect, he would advise against changing

the format of either of the two documents. In particular, he would have difficulty agreeing with Mr. Alhaimus's suggestion to make the World Economic Outlook an annex of the Annual Report. Such an approach would demand that the World Economic Outlook be discussed line by line, and some of the spontaneity in the exercise would be lost.

The Executive Directors approved the outline for the 1985 Annual Report, as set forth in EBD/85/108, Correction 1 (5/2/85).

DECISIONS TAKEN SINCE PREVIOUS BOARD MEETING

The following decisions were adopted by the Executive Board without meeting in the period between EBM/85/70 (5/3/85) and EBM/85/71 (5/6/85).

3. SUDAN - OVERDUE FINANCIAL OBLIGATIONS - REVIEW OF DECISION
TO LIMIT USE OF FUND GENERAL RESOURCES - POSTPONEMENT

1. The Fund has noted the facts described in EBS/85/114, (5/2/85) and the communication from the Sudanese authorities in EBS/85/111 (5/1/85), pertaining to Sudan's overdue financial obligations to the Fund.

2. The Fund welcomes the partial payments that have been made by Sudan. However, the Fund regrets the continuing nonobservance by Sudan of its financial obligations to the Fund and notes that further substantial obligations will fall due in the near future. The Fund urges the Sudanese authorities to make full and prompt settlement of the overdue financial obligations to the Fund.

3. The Fund agrees to the request of the Sudanese authorities for a postponement of the review of Decision No. 7903-(85/20) for a period of one month, in order to enable them to present adequately their views to the Executive Board.

4. The Fund shall review Decision No. 7903-(85/20) not later than Monday, June 10, 1985. (EBS/85/114, 5/2/85)

Decision No. 7969-(85/71), adopted
May 3, 1985

4. IVORY COAST - 1985 ARTICLE IV CONSULTATION - POSTPONEMENT

Notwithstanding the period of three months specified in Procedure II of the document entitled "Surveillance over Exchange Rate Policies" attached to Decision No. 5392-(77/63), adopted April 29, 1977, the Executive Board agrees to extend the period for completing the 1985 Article IV consultation with Ivory Coast to not later than June 3, 1985. (EBD/85/115, 5/2/85)

Decision No. 7970-(85/71), adopted
May 3, 1985

5. EXECUTIVE BOARD TRAVEL

Travel by Executive Directors and Advisors to Executive Directors as set forth in EBAP/85/115 (5/2/85) and Assistants to Executive Directors as set forth in EBAP/85/114 (5/1/85) and EBAP/85/116 (5/3/85) is approved.

APPROVED: February 19, 1986

ALAN WRIGHT
Acting Secretary