8-31-1989

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Category/Department: General
Published: Thursday, August 31, 1989

On Aug. 18, the Chase Manhattan Bank requested formal authorization from the Chilean Central Bank for the purchase of a maximum of $100 million of the nation's foreign debt paper to be transformed into an $80 million "capital development fund." Cary Washburn, who will direct the program for Chase, said that the 12-year operation reflects the confidence of the international banking community in the Chilean economy. At present, Chase Manhattan owns shares in the Chilean telephone company (CCT), and the national telecommunications enterprise (ENT). The $80 million fund will be earmarked for investment in private industry, most to occur via the purchase of shares in the domestic stock exchange. Chile's foreign debt totals about $17 billion. In the past three years, the total has been reduced by $7.756 billion, representing a $700 million annual savings in interest payments. Foreign commercial banks mainly US account for 75% of the foreign debt. Manufacturers Hanover heads the committee representing Chile's foreign commercial bank creditors. Many independent economists predict a 2 to 3% GDP growth rate for 1990. (Basic data from Notimex, 08/18/89)

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