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Last week the Argentine government received $150 million from the World Bank, the second disbursement of a loan to finance trade liberalization measures. The credit line was part of a $1.25 billion package finalized in October 1988, which also includes $450 million for Argentina's privatization program. The World Bank approved the package despite opposition by the International Monetary Fund, and the British and West German governments. At present, President Carlos Menem’s administration is waiting for IMF approval of an agreement to obtain $1.5 billion in stand-by credits. On Sept. 19, Notimex cited unidentified IMF officials as saying that if Argentina’s letter of intent is approved, Buenos Aires would receive the loan within weeks. The money is destined to make payments on interest arrears to the IMF, the World Bank and the Inter-American Development Bank. On Sept. 20, in testimony to congressional committees on the content of the letter of intent for the IMF, Economy Minister Nestor Rapanelli said that the foreign debt and interest payment arrears are going to be negotiated, rather than paid. The minister said the letter of intent does not commit Argentina to liberalize exchange rates. According to Economy Ministry sources, for 1990 the letter of intent predicts 15% inflation; a $4.5 billion trade surplus, based on $10.5 billion in export revenues, and $6 billion worth of imports; and, a $3 billion fiscal surplus. Adding Argentina’s interest arrears of between $4.5 billion to $5 billion, the foreign debt totals about $64 billion. Argentine debt on secondary markets is quoted at 16 cents to the dollar. (Basic data from Notimex, 09/12/89, 09/19/89, 09/20/89)

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