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Bolivia: U.S. Government Approves Use Of $6 Million In Economic Support Funds (esf) For Debt Buy-back

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On April 11, the US Embassy in La Paz released a communique stating that Washington had authorized the use of $6 million in economic support funds (ESF) by the Bolivian government to purchase foreign debt paper in secondary financial markets. At a price of $0.11 per dollar of face value, the government will be able to buy $54.5 million worth of debt paper. Of the government's total $4.2 billion foreign debt, $180 million are owed to foreign commercial banks. The debt buy-back operation is intended to reduce debt owed to private banks by 30%. The communique said, that normally ESF could not be employed in commercial debt buy-back operations, but that an exception has been approved due to the Bolivian government's "sensible economic policies," and US interest in expanding cooperation with La Paz. (Basic data from EFE, 04/11/91)

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