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Argentina: Central Bank President Says I.m.f. To Approve $1.04 Billion Stand-by Loan

by Barbara Khol
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On July 23, Central Bank president Roque Fernandez told a Buenos Aires radio journalist via telephone that the International Monetary Fund (IMF) will approve a $1.04 billion stand-by loan for Argentina on Monday, July 29. He said the first $260 million disbursement would take place the following week. Next, Fernandez said the World Bank is also likely to approve on Monday several loans earmarked for state economic and administrative reforms. If the World Bank approves the same, about $300 million would be disbursed within three weeks. According to a letter of intent submitted to the IMF in early July, the government committed itself to a balanced budget in the third quarter, a fiscal surplus in the last quarter of the year, and a substantial increase in tax revenues. Regarding debt service payment arrears to foreign commercial banks, Fernandez said his government has emphasized the difficulty of raising monthly service payments from $60 to $100 million. The bankers, he added, argue that because Argentina is a wealthy nation, arrears estimated at between $7 and $8 billion must be paid rather than discounted or written off. (Basic data from AFP, 07/23/91)

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