

1-30-1992

# Argentina: International Monetary Fund Approves Government's Economic Program

Barbara Khol

Follow this and additional works at: <https://digitalrepository.unm.edu/notisur>

---

## Recommended Citation

Khol, Barbara. "Argentina: International Monetary Fund Approves Government's Economic Program." (1992).  
<https://digitalrepository.unm.edu/notisur/8334>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact [amywinter@unm.edu](mailto:amywinter@unm.edu).

## **Argentina: International Monetary Fund Approves Government's Economic Program**

*by Barbara Khol*

*Category/Department: General*

*Published: Thursday, January 30, 1992*

On Jan. 28 in Washington, following a meeting with Economy Minister Domingo Cavallo, International Monetary Fund (IMF) managing director Michel Camdessus said the Argentine government's structural reform policies are "achieving very positive results," including reduced inflation, recovery of business confidence, and economic growth. Camdessus urged the steering committee representing Argentina's foreign commercial bank creditors to quickly conclude a debt reduction and refinancing agreement. An arrangement with the banks is described as an essential pre-condition for the IMF's definitive approval of a three-year extended fund facility to support economic reform and debt reduction operations. According to the Agence France-Presse (01/28/92), the extended facility amount has increased to US\$4.5 billion. Buenos Aires owes foreign commercial banks about US\$31 billion, which includes nearly US\$8 billion in interest arrears. [In its Jan. 28 edition, business newspaper *Ambito Financiero* (Buenos Aires) reported that government officials had promised bank creditors dollar-peso exchange rate stability over the next two years. Next, according to *Ambito*, the government negotiating team had raised the extended facility amount to US\$3.5 billion.] According to a Jan. 29 report by the Agence France- Presse, unidentified financial community sources were cited as saying that Buenos Aires could obtain over US\$10 billion in loans from the IMF, the World Bank, and the Inter- American Development Bank to support economic reform programas over the next three years if agreements with the Fund and the bank committee are finalized in the near future. Camdessus told reporters that the stand-by loan arrangement could be changed to an extended fund facility by late March. The existing stand-by agreement ends on June 30. The sources quoted by AFP said the extended facility would mean Argentina could access up to US\$4.788 billion in credit over the three-year period. At the World Bank, Argentina's "credit program" of about US\$1 billion per year could increase in the event the Bank approves additional loans to support debt reduction. Expanded access to IDB credit, or up to US\$1 billion per year, may also be possible. In 1991, the IDB approved about US\$800 million worth of loans for the Argentine government.

-- End --