

MOZAMBIQUE

Devaluation follows IMF deal

The government on 20 June announced a 49.5 per cent devaluation of the metical lowering the exchange rate to \$1 – MM400. The devaluation – the second since January – means the currency has depreciated against the dollar by 90 per cent this year (AED 7.2.87)

The devaluation measures follow the government's agreement with the IMF which resulted in the 9 June approval by the fund of a SDR 28.67 million (\$37.1 million) structural adjustment facility. It also enabled Mozambique to agree to a \$200 million scheduling package with the London Club of commercial creditors on 25 June.

The agreement follows the Paris Club's mid-June rescheduling of some \$150 million of government-to-government debt (AED 26.6.87, 19.6.87).

In a communiqué released in Paris by France's **Banque de l'Union Europeene (BUE)** – lead bank in the steering committee representing 40 banks – the London Club announced that general terms of rescheduling had been accepted after discussions at two meetings held in Paris on 27 May and 17 June. BUE declined to give further detail on conditions.

In September 1986, the club rejected Mozambican proposals for commercial debt rescheduling (AED 25.10.86). They included a 12-year rescheduling of all debt and interest, a four-year grace period and a request for new money (AED 27.9.86).

The club's advisory committee also includes France's **Société Générale**, Portugal's **Banco Pinto & Sotto Mayor** and the UK's **Standard Chartered Bank**.