

EBD/80/341

December 23, 1980

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Argentina - Exchange Arrangements

The attached paper on a change in the exchange system of Argentina is circulated for the information of the Executive Directors.

Att: (1)

Other Distribution:  
Department Heads

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

Argentina - Exchange Arrangements

Prepared by the Western Hemisphere Department

(In consultation with the Exchange and Trade Relations  
and Legal Departments)

Approved by Carlos E. Sansón and Donald K. Palmer

December 22, 1980

In a communication dated December 11, 1980 the Executive Director for Argentina has informed the Fund of a recent change in Argentina's exchange arrangements. In accordance with Circular R.C. 916 of the Central Bank of Argentina of December 10, 1980, which ratifies Circular R.C. 907 of September 16, 1980, the spot buying rate of the Argentine peso in terms of the U.S. dollar will continue to be increased by 1 per cent per month. These arrangements, which provide for a monthly depreciation of the peso in terms of the U.S. dollar, were last reported to the Executive Board in SM/80/245 (10/24/80). In addition, during January, February, and March 1981, the spot selling rate in terms of the U.S. dollar will increase by 2 per cent per month in relation to the prevailing rate of December 30, 1980. As a result, regulation rates in the exchange market over the next few months (end-of-month rates) will be as follows:

<u>Date</u>	<u>Buying rate</u> <u>Pesos per U.S. dollar</u>	<u>Selling rate</u> <u>Pesos per U.S. dollar</u>
December 30, 1980	1,989	1,996
January 30, 1981	2,009	2,036
February 27, 1981	2,029	2,077
March 31, 1981	2,049	2,118

On the basis of the information provided by the Argentine authorities, the spread between buying and selling rates will exceed 2 per cent by the end of February 1981 and will increase further at the end of March 1981. The staff intends to contact the Argentine authorities to obtain additional information in connection with the change in exchange arrangements described above. No action by the Executive Board is proposed at this time.