

EBD/82/5

January 11, 1982

To: Members of the Executive Board

From: The Secretary

Subject: Argentina - 1981 Article IV Consultation and  
Changes in Exchange Measures

The Secretary has received the following memorandum dated January 11, 1982 from Mr. Iarezza:

A new Minister of Economy has been appointed by the Argentine Government, and the monetary authorities adopted new exchange measures. Because of this, they feel that it would be beneficial to hold further talks with the Fund prior to the discussion of the 1981 Article IV consultation report by the Executive Board. For this reason, a mission has been scheduled to visit Buenos Aires shortly.

Attached please find copy of a cable informing us of the new measures related to exchange markets. It would be appreciated if you would circulate its contents for the information of the Executive Board.

Attachment

Other Distribution:  
Department Heads



FROM CENTRAL BANK OF THE ARGENTINE REPUBLIC, BUENOS AIRES  
TO INTERNATIONAL MONETARY FUND, WASHINGTON  
ATTENTION DR. JUAN C. IAREZZA, EXECUTIVE DIRECTOR

DECEMBER 24, 1981

This is to inform you of the resolutions adopted today in the area of foreign exchange. The Central Bank of the Argentine Republic will circulate these regulatory provisions in the usual manner.

1. It has been decided to re-establish a single exchange market in which the rates will be determined by the free play of supply and demand.

Foreign exchange and banknotes, monetary gold and good delivery gold bars may once again be freely traded, up to the equivalent of \$20,000 per person per day, in all entities authorized to deal in foreign exchange.

The arrangements instituted on November 30, 1981 for swap operations with forward cover from the Central Bank are hereby terminated, but operations already entered into thereunder shall remain valid until maturity.

The free forward exchange market established for the financial market on November 30, 1981 continues in effect within the single exchange market.

The provisions on the exchange insurance for financial loans in foreign exchange, on the basis of the rates in the former commercial market, are hereby repealed. The contract terms of operations already entered into will continue in effect until the end of the agreed period.

The obligation to postpone payment for general merchandise imports by 180 days is hereby abolished.

All these provisions form part of Communication A-84 CAMEX I-15.

2. Fixed-term deposits in foreign exchange accepted by the country's financial institutions have been made subject to the same minimum term as unindexed deposits in pesos. Consequently, effective today, banks are empowered to accept such deposits for terms of not less than 7 days as regards nontransferable accounts, and not less than 30 days as regards registered transferable certificates.

It has been decided to set one and the same reserve requirement-- 13 per cent, effective January 1982--for fixed-term and demand deposits in foreign exchange.

These provisions are covered by Communications A-85 and B-189, respectively.

3. It has been decided to reduce the spread of import duty rates from 5-48 per cent to 10-43 per cent effective today. Commodities charged zero duty at present, or covered by special arrangements, are excepted. Resolution No. 1 of the Ministry of Economy, dated December 24, 1981.

An additional export duty of 10 per cent is hereby imposed on all commodities included in the NADE [Customs and Export Duty Nomenclature] and not eligible for export rebates. Resolution No. 2 of the Ministry of Economy, dated December 24, 1981.

REGARDS

ANTONIO E CONDE  
PRINCIPAL MANAGER