The financial structure and operations of the International Monetary Fund

The recent dramatic expansion in the scale of its financial assistance has come to focus increasing attention on the activities of the International Monetary Fund. This article[1] offers a guide to the technical aspects of the policies and procedures under which the Fund extends financial assistance to its members.

The International Monetary Fund,[2] currently with a membership of 146 states, exists to promote monetary co-operation as a necessary condition for the balanced and sustained expansion of world trade and, thereby, domestic growth and development. In pursuit of these objectives, the Fund seeks to maintain a multilateral system of orderly and open exchange arrangements and, to that end, members undertake to avoid manipulating exchange rates to gain unfair competitive advantage and generally to refrain from restrictions on current international payments and from discriminatory currency practices; the Fund itself exercises surveillance over the exchange rate policies of its members. The Fund's responsibilities with regard to exchange rates and exchange arrangements, on which particular emphasis was placed under the Bretton Woods fixed exchange rate system, were given renewed impetus with the Versailles communiqué of June 1982.

In order to help members cope with balance of payments difficulties without resorting to competitive depreciations and restrictions on international trade and payments, the Fund provides financial and technical assistance. Financial assistance has constituted an increasingly important aspect of the Fund's role in the international monetary system, particularly in recent years, during which the scale of assistance has been considerably expanded to enable the Fund to tackle the economic and financial difficulties which emerged in the mid-1970s. Such assistance (and its vital catalytic effect on commercial financial flows) has given the Fund a pivotal role in handling the financing problems lately experienced by a number of developing countries.

The general nature of the Fund's financial assistance

The essential feature of financial assistance provided by the Fund is its temporary nature: in the medium term, members are expected to attain sustainable balance of payments positions. The temporary nature of the Fund's assistance reflects the original concept of it as a pool of resources, contributed by members, to be made available in broadly the same manner and for the same purpose as the external reserves held by national exchange equalisation accounts and stabilisation funds. Indeed, one of the names originally proposed for the Fund was the International Stabilisation Fund. This analogy is, in turn, a consequence of the fact that resources provided by the Fund are used to finance balance of payments deficits and intervention in the foreign exchange markets, which means that contributing members ultimately have to supply convertible currency, generally from their reserves. Accordingly, members' willingness to support the Fund financially is seen to depend largely on the liquidity of the counterpart claims in case of unexpected need by the contributing member. To maintain liquidity the Fund has to ensure that its assets are of a revolving nature overall and this limits its financial assistance to the short or medium term. Longer-term development finance is provided by other international financial organisations. Nevertheless, the more intractable payments imbalances that have emerged over the last decade have led the Fund to develop policies and facilities to provide, where appropriate, finance over a more extended period than was formerly its practice.

Resources of the Fund

The basic or 'ordinary' resources of the Fund are subscribed by its members and are the Fund's own resources. However, the Fund is also authorised to augment these by borrowing.

Ordinary resources

Subscriptions of ordinary resources are made according to agreed quotas (which also govern, *inter alia,* the maximum scale of members' access to the Fund's resources and, in the manner of shareholdings, their general voting power). For the most part, individual quotas have been determined on the basis of a set of formulae incorporating a number of major economic magnitudes. These provide broad composite measures of members' economic importance and thus their relative ability to provide financial support to the Fund over the medium term, as well as the scale of their potential need for Fund assistance. Quotas are periodically adjusted to try to ensure, on the one hand, that resources are sufficient to meet the legitimate overall demand for assistance from the Fund and, on the other hand, that individual quota shares reflect changes in members' relative

(1) Largely the work of R D Comotto of the Bank's Territorial Division.

(2) The constitution of the International Monetary Fund is laid down in its Articles of Agreement, which have the status of an international treaty. While no reference will be made to them in this article, which is restricted to describing the financial organisation of the Fund, it should be recognised that the activities of the Fund are strictly circumscribed by the Articles. The Articles of Agreement are published by HM Stationery Office, Cmnd 7331, 1978.

financial strength and potential need. Adjustments are usually made under a general review, which the Fund is obliged to conduct at least every five years. No member can be compelled to accept a change in its quota, although, of course, its quota share can be changed by changes in other members' quotas.

The Fund has recently concluded the Eighth General Review of quotas. It has been agreed, subject to ratification by the end of November by members with at least 70 per cent of present quotas,(1) to increase the aggregate of quotas from the present SDR 61.1 billion(2) to about SDR 90 billion, and to undertake some redistribution of individual quota shares. To achieve this redistribution, 40 per cent of the overall increase in quotas will be distributed in proportion to present quota shares and 60 per cent in proportion to notional quota shares calculated from the agreed formulae. (Present and proposed quotas for Fund members, and corresponding quota shares, are listed in the Annex.)

In addition to general quota reviews, the Fund may examine and propose a change in an individual member's quota at any time, at that member's request. Such a special review was last undertaken in 1981, when the quota of Saudi Arabia was increased to take account of that member's enhanced position in the world economy and the scale of its lending to the Fund.

Once an increase in a quota is agreed between the Fund and a member, it must be paid within a set time limit. Under the Eighth General Review, the Fund has prescribed a deadline of one month for payment from the later of the date on which members with 70 per cent of present quotas have ratified the increases, or the date of an individual member's consent, subject to the end of November deadline. A quota increase only becomes effective when it has been paid. As a rule, 75 per cent of a quota subscription is payable in a member's own currency and 25 per cent in specified reserve assets, normally SDRs (formerly gold).(3)

Borrowed resources

The Fund may borrow any member's currency and from any source, official or private. The only legal restriction is that the member issuing the currency to be borrowed must agree, even if the Fund wishes to borrow that currency from a source other than the member itself.

The Fund has borrowed substantially to provide additional assistance to members. To date, this borrowing has been from official sources only. The Fund's first loans were obtained under the General Arrangements to Borrow (GAB),(4) under which eight members (Belgium, Canada, France, Italy, Japan, Netherlands, United Kingdom and United States) and the central banks of two other members (the Federal Republic of Germany and Sweden) have undertaken to consider requests by the Managing Director of the Fund for loans up to specified maximum outstanding amounts (Table A). The loans are to finance Fund assistance to one of the participant members (which collectively form the Group of Ten) in circumstances where supplementary resources are needed to forestall or to cope with an impairment of the international monetary system. (The original context was the volatile conditions which followed widespread external convertibility in 1958.) At present, the total value of the GAB is the equivalent of about SDR 6.3 billion, but the closed nature of the Arrangements reduces this by the amount of the credit lines of the participants making drawings.

Table A
Amounts of the General Arrangements to Borrow and associated agreements
Billions

	In national currencies as specified in current arrangements		In SDRs: At end-September 1983	In SDRs: Proposed under revised arrangements
Participants				
Belgium	BF	7.50	0.13	0.60
Canada	Can$	0.22	0.17	0.89
Deutsche Bundesbank	DM	4.00	1.43	2.38
France	FF	2.72	0.32	1.70
Italy	Lit	343.75	0.20	1.11
Japan	Yen	340.00	1.36	2.13
Netherlands	fl	0.72	0.23	0.85
Sveriges Riksbank	Skr	0.52	0.06	0.38
Swiss National Bank	Sw. Fcs	—	—	1.02
United Kingdom	£	0.36	0.51	1.70
United States	US$	2.00	1.89	4.25
Total			6.30	17.00
Associated lenders				
Saudi Arabian Monetary Agency	SRls	—	—	1.50
Swiss National Bank	Sw. Fcs	0.87	0.38	—

In association with the GAB, Switzerland (which is not a member of the Fund) entered into an associated agreement(5) to consider making bilateral loans to any of the ten participants drawing on the GAB.

The GAB is in the process of being expanded. The Group of Ten are increasing the size of their Arrangements, while the Swiss National Bank will, subject to parliamentary approval, become a full participant by 30 April 1984 (although, as a non-member of the Fund, it will not be able to draw under the GAB). The new total will be SDR 17 billion (Table A). It is also agreed that the GAB will be revised to allow the Fund to borrow from non-participants in parallel, and to provide assistance to members that are not participants, in circumstances where the Fund's resources are inadequate to meet exceptional balance of payments needs that could threaten the stability of the

(1) The Fund may, however, extend this deadline.

(2) SDR is the official acronym for the special drawing right, which is the unit of account used by the Fund to express the value of its assets. The SDR is currently defined as the sum of 0.54 US dollars, 0.46 deutschemarks, 0.74 French francs, 34 Japanese yen and 0.071 pounds sterling. The current method of valuing the SDR was outlined in 'Special drawing rights: further developments' in the March 1981 *Bulletin*, page 66. At end-September 1983, the SDR was equivalent to 0.706586 pounds sterling and 1.05684 US dollars.

(3) Exceptionally, the Fund may specify payment of the reserve asset portion, in whole or in part, in other members' currencies or may even prescribe the entire payment in each member's own currency. Under the Eighth General Review, payment of the reserve asset portion of the quota increase has been prescribed in SDRs or specified foreign exchange.

(4) The GAB was established on 24 October 1962, for a period of four years, but has been renewed on several occasions since and, in effect, has become a permanent (if exceptionally used) resource of the Fund.

(5) On 11 June 1964.

international monetary system. The new Arrangements will be denominated in terms of the SDR, whereas hitherto they have been expressed in terms of each participant's own currency; and interest will be payable by the Fund at the combined market interest rate it computes from time to time to determine the rate of interest to be paid on holdings of SDRs,[1] whereas the current interest rate is based on the Fund's rate of charge to members on the use of ordinary resources, subject to a minimum rate of 4 per cent per annum. The new GAB will supersede the existing Arrangements once the original participants have notified the Fund of their consent, which should be by 31 December 1983. In parallel with the revised GAB, the Saudi Arabian Monetary Agency (SAMA) will establish an associated agreement with the Fund under which it will consider supplementing lending under the GAB by up to SDR 1.5 billion, although it will not be entitled to borrow on the same basis as full participants.

Table B
Borrowing arrangements under the 1974 and 1975 Oil Facilities
SDR millions

Lender	1974 facility	1975 facility
Abu Dhabi	100.0	—
Austrian National Bank	—	100.0
National Bank of Belgium	—	200.0
Canada	246.9	—
Deutsche Bundesbank	—	600.0(a)
Central Bank of Iran	580.0	410.0
Central Bank of Kuwait	400.0	285.0
Netherlands	150.0	200.0
Nigeria	100.0	200.0
Bank of Norway	—	100.0
Central Bank of Oman	20.0	0.5
Saudi Arabian Monetary Agency	1,000.0	1,250.0
Sveriges Riksbank	—	50.0
Switzerland	—	250.0(b)
Central Bank of Trinidad and Tobago	—	10.0
Central Bank of Venezuela	450.0	200.0
Total	**3,046.9(c)**	**3,855.5**

(a) Claims totalling SDR 225 million were transferred by the Deutsche Bundesbank to the Saudi Arabian Monetary Agency in November 1980.
(b) Of which, SDR 100 million was provided by the Swiss National Bank.
(c) Of which, SDR 464.077 million was made available for the 1975 Facility.

In addition to the GAB, the Fund has also undertaken various other borrowing. An ad hoc credit line of US $250 million from Italy in 1966 financed a drawing by the United States. Multilateral borrowing of SDR 6.9 billion financed the 1974 and 1975 Oil Facilities used to provide special assistance in 1974–76 to members most seriously affected by increased oil prices (Table B). Since 1979, borrowing of about SDR 7.8 billion under the Supplementary Financing Facility (SFF) and, since 1981, borrowing of just over SDR 9.3 billion under the Policy on Enlarged Access to the Fund's Resources (EAR), has increased the general assistance that the Fund can provide from its ordinary resources (Tables C and D). Borrowing under the EAR has been under a medium-term facility of SDR 8 billion extended by SAMA and a set of short-term credit lines for just over SDR 1.3 billion from a government, the central banks and other official agencies of eighteen industrial countries, nine of which have lent through the Bank for International Settlements (BIS). (These facilities are described in a later section on forms of financial assistance.)

Table C
Borrowing arrangements under the Supplementary Financing Facility
SDR millions

Lender	Amount
Abu Dhabi	150
Austrian National Bank	50
National Bank of Belgium	150
Canada	200
Deutsche Bundesbank	1,050(a)
Banco de Guatemala	30(b)
Japan	900
Central Bank of Kuwait	400
Netherlands Bank	100
Central Bank of Nigeria	220(c)
Saudi Arabian Monetary Agency	1,934
Swiss National Bank	650
United States	1,450
Central Bank of Venezuela	500
Total	**7,784**

(a) Claims totalling SDR 172 million were transferred by the Deutsche Bundesbank to the Saudi Arabian Monetary Agency in November 1980.
(b) Claims totalling SDR 8.4 million were repaid in advance to the Banco de Guatemala in February 1982 and were refinanced by a call on the Swiss National Bank.
(c) Claims totalling SDR 69.9 million were repaid in advance to the Central Bank of Nigeria in April 1982 and were refinanced by calls on Japan and the United States.

Interest paid by the Fund to GAB participants has been set hitherto at the same concessional rate the Fund charges members on the use of ordinary resources. The Fund's borrowing arrangements established since the GAB, however, have carried increasingly market-oriented terms. The rates of interest which the Fund paid on borrowing under the two Oil Facilities were market-related, although fixed (at 7 and 7.25 per cent per annum). The rates paid by the Fund on the SFF and EAR have been determined on the basis of variable market rates, as will be the rate it pays for borrowing under the revised GAB. The rate of interest paid by the Fund on its borrowing under the SFF has been set with reference to the yield on five-year US government securities. Under its medium-term EAR borrowing from SAMA, the Fund pays interest according to an SDR-weighted basket of five-year government securities: the interest rate payable by the Fund on short-term EAR borrowing is set on the same basis, but using money-market instruments with maturities reflecting the shorter-term nature of these facilities.

Another development in the terms on which the Fund has borrowed has been with regard to the matching of its borrowing with its lending. Under the GAB, the Oil Facilities and the SFF, the Fund has, on the whole, been able to match its own drawings and repayments with its on-lending to, and repayments from, members. To a large extent this is possible with medium-term EAR drawings,

Table D
Borrowing arrangements under the Enlarged Access Policy
SDR millions

Lender	Amount
Medium-term arrangement	
Saudi Arabian Monetary Agency	8,000
Short-term arrangements(a)	1,305
Total	9,305

(a) Provided by: Reserve Bank of Australia, Bank for International Settlements, National Bank of Belgium, Bank of England, Bank of Finland, Central Bank of Ireland, Japan, South African Reserve Bank and the Swiss National Bank.

(1) The current method was outlined in 'Special drawing rights: further developments' in the March 1981 *Bulletin*, page 66.

which have a maturity of 4–7 years (broadly similar to the term of the Fund's on-lending), but not with the short-term EAR drawings, which have a maturity of only 2–2½ years. However, because of the scale of the facility and the fact that it has been extended by a single member, the medium-term EAR does not have the same degree of flexibility in the timing of drawings as earlier facilities (or the short-term EAR). Mismatching between the Fund's borrowing under the EAR and its on-lending to members has led the Fund to establish intermediate Borrowed Resources Suspense Accounts, in which temporarily undisbursed or unrepaid borrowed resources may be held without disturbing the financial positions with the Fund of lending members, or members whose currencies are used to finance the Fund's borrowing but are not themselves lending (see page 551).

The increasing scale of Fund borrowing over recent years has led to some concern that the co-operative nature of the organisation, as evidenced in its basic endowment through quota subscriptions, should not be undermined. Accordingly, in January 1982, the Fund adopted guidelines for its borrowing which confirmed quota subscriptions as the basic source of its finance, while at the same time recognising that borrowing has been an important supplement, and established certain quantitative limits on total indebtedness. Specifically, it was decided that the ratio of total outstanding borrowing plus unused credit lines to total Fund quotas should not exceed 60 per cent and, as a safeguard, that the Fund should review its borrowing policy once this ratio exceeded 50 per cent. (At end-September 1983, total outstanding borrowing and unused credit lines were equivalent to 32.8 per cent of quotas.) With the completion of the Eighth General Review, the Fund's borrowing guidelines are being reviewed.

The Fund's currency resources

Most of the currencies subscribed by members are not readily convertible and thus are of little practical use to those in need of Fund assistance. To resolve this problem, the Fund obliges members whose currencies are used to finance assistance to other members to exchange, at the latter's request, balances of currencies used in lending for certain convertible or 'freely-usable' currencies. Freely-usable currencies are those selected by the Fund, according to the criteria that they are widely used to make payments for international transactions and extensively traded in the principal foreign exchange markets. There are currently five: the US dollar, deutschemark, French franc, Japanese yen and pound sterling. The obligations on members to provide freely-usable currency in exchange for their own means that most members whose currencies are used by the Fund ultimately have to provide finance from their reserves.

The ultimate call placed on its reserves means that the ability of a member to support the Fund financially depends in practice on its balance of payments position and the state of its reserves. Accordingly, in determining which currencies are 'usable' in financing its assistance (not to be confused with 'freely-usable' currencies), the Fund must normally exclude not only the currencies of indebted members but also those of other members in a weak balance of payments and reserves position. This process of selection is undertaken by the Fund each quarter of its financial year under the Operational Budget. The amount of each currency included for sale under the Operational Budget is generally calculated according to the share of the relevant member's gold and foreign exchange reserves in the total for all members included for sales under the Budget,(1) subject to the general objective of harmonising the distribution of outstanding calls on members' reserves.

In practice, harmonisation is more directly pursued on the other side of the Operational Budget, which, in specifying currencies for receipt by the Fund, can reduce the outstanding call on those members whose reserves have been most heavily drawn upon.

The Fund's holding of SDRs

The SDR is an official international reserve asset created by the Fund in 1969 to supplement international liquidity in the circumstances of a perceived long-term global liquidity shortage. (SDRs may also be cancelled if long-term global liquidity is deemed to be excessive—although no cancellations have yet been made.) SDRs were first issued or 'allocated' in 1970. Allocation is in proportion to members' quotas.

By their constitution, SDRs can only be transferred among members of the Fund, certain official institutions prescribed by the Fund as other holders(2) and the Fund itself. This means that members needing to use their holdings of SDRs for wider payments purposes can mobilise them only by encashment for convertible currency with another member or an other holder (or, exceptionally, the Fund). To ensure the liquidity of SDRs, the Fund can designate members considered to be in a sufficiently strong balance of payments or reserves position to accept SDRs from members in need in exchange for freely-usable currencies. (No member, however, can be obliged to accept SDRs under designation beyond a net amount twice its net cumulative allocation—ie beyond an amount which would bring its gross holdings up to three times its net cumulative allocation.)

The Fund assesses which members are in a sufficiently strong external position to receive SDRs under a quarterly Designation Plan; this is presented in conjunction with, and on the same criteria of assessment as, the Operational Budget. Under the Plan, the expected total encashment of SDRs by members in balance of payments or reserve need is allocated among members in sufficiently strong external positions with the object of harmonising, over time, the

(1) An exception to this rule exists for the US dollar, the importance of which in international payments far outweighs the relative size of US reserve holdings. The amount of US dollars included in the Operational Budget is therefore decided by special agreement with the United States authorities.

(2) At end-September 1983, there were thirteen institutions prescribed as other holders of SDRs, including the International Bank for Reconstruction and Development, the Bank for International Settlements and the Swiss National Bank.

ratios of members' net use of SDRs (relative to their net cumulative allocations) to their gold and foreign exchange reserves.

The Fund has itself acquired SDRs from members, primarily through reserve asset subscriptions, the payment of charges and the repayment of lending: its holdings at end-September 1983 stood at SDR 2.7 billion, compared with an aggregate net cumulative allocation of SDR 21.4 billion. It uses them mainly in place of currencies to finance assistance to members (but it can, if necessary, use them to boost its holdings of members' currencies which are judged to be especially low through a replenishment operation, under which these members would be obliged to purchase SDRs from the Fund in exchange for their currencies).

The Fund's gold

Under the par-value system established at Bretton Woods, reserve asset subscriptions and charges on the use of the Fund's resources had to be paid in gold. By the time the par-value system collapsed in the early 1970s, the Fund had accumulated over 150 million ounces. As part of the international agreement to demonetise gold, about one third of this stock was sold. Some 25 million ounces were 'restituted'(1) to members, at the last official price of SDR 35 per fine ounce, in proportion to their quotas. Another 25 million ounces were sold by public auction for the benefit of developing members, realising some US $5.7 billion. Of the proceeds from these gold sales, the Fund retained SDR 35 per fine ounce (about US $1.1 billion in total) in order to maintain the book value of its assets. Of the balance, proportions corresponding to their shares in total quotas were directly distributed to developing countries (amounting in total to just under US $1.3 billion), while the remainder (almost US $3.4 billion) was used to endow a Trust Fund to provide highly concessional loans to low-income developing members.(2) The Trust Fund was made legally distinct from the Fund to allow it to discriminate in favour of developing members in providing balance of payments assistance; the Fund's normal resources cannot be made available other than in a uniform way.

The proceeds retained by the Fund from the sale of its gold provide interest-free resources which subsidise the general rate of charge on the use of ordinary resources. The Fund's remaining gold holdings total about 103.44 million ounces, which the Fund continues to value at the last official price.

Unit of account

Since the abandonment of the Bretton Woods par-value system, under which gold was the basic numéraire, the Fund has used the SDR as its unit of account. Each member is obliged to maintain the value of the Fund's holdings of its currency in terms of the SDR. In practice, a member's currency is revalued only when it is used by other members in transactions with the Fund (which means that the prevailing 'holding' rate at which the Fund values its holdings of currencies tends to lag behind the daily SDR exchange rate). Either the Fund or the member can request revaluation at any other time. As a rule, outstanding valuation differences are actually settled only at the end of the Fund's financial year, although the Fund or a member can make more frequent settlements.

Maintenance of value obligations apply only to balances of currency held by the Fund and thus exclude currencies borrowed by the Fund, which are either immediately on-lent, or temporarily held apart in the Borrowed Resources Suspense Accounts. While these accounts are also denominated in SDRs, the Fund generally tries to cover the exchange risk by investment in SDR-denominated assets with the Bank for International Settlements and, on occasion, with the Federal Reserve Bank of New York. (The proceeds from these investments are also used to defray borrowing costs accruing on these idle resources.)

The mechanism of the Fund's financial assistance

When a member draws on the Fund, the form of transaction by which it does so is not, in a legal sense, a loan. Rather, there is an exchange, in which the member purchases reserve assets from the Fund by selling an equivalent amount of its own currency. Conversely, a member does not, strictly speaking, repay the Fund: instead, it repurchases balances of its own currency acquired by the Fund in previous purchases. The resemblance of these transactions to swaps in the foreign exchange market reflects the analogy originally intended between the Fund and national reserves.

Because a member drawing on the Fund undertakes a purchase against its own currency, the overall extent of its outstanding use of Fund resources will be reflected in the amount of its currency held by the Fund. The Fund's holding will also include the own-currency part of the member's subscription (the other part having been made in reserve assets). This will have been increased or decreased by the cumulative net use the Fund has made of the member's currency (largely in purchases and repurchases by other members). The Fund's holdings of the member's currency may, therefore, be above or below quota, depending on the proportion of its quota subscription paid in own currency or in reserve assets, and the extent of the net use of its currency by the Fund. As noted above, the use of a member's currency by the Fund generally involves the transfer of reserve assets to or from the member—to the member when its currency is used by other members to make repurchases, and from the member when its currency

(1) The term 'restitution' has been used to describe the sale of gold to members in proportion to their quotas, to indicate some right of restoration but without ultimately questioning the principle that the resources held by the Fund, including subscriptions, are indisputably its own.

(2) Repayments of Trust Fund loans and the income earned on Trust Fund resources are to be used, initially, to provide SDR 750 million to the SFF Subsidy Account (see footnote (1) on page 553) and, subsequently, to provide SDR 1.5 billion for further concessional balance of payments assistance to low-income developing countries on terms similar to those of the Trust Fund. The disposal of the remaining assets of the Trust Fund has yet to be decided.

is purchased from the Fund by other members. The shortfall in the Fund's holdings of a member's currency below its quota will, therefore, be equivalent to its outstanding net contribution of reserve assets. Purchases from the Fund by the member which take the Fund's holdings of its currency up to quota level will in effect reverse the member's outstanding net contribution of reserve assets. Such purchases are accordingly described as being in the 'reserve tranche' of a member's access to Fund resources.

Traditionally, holdings of currency representing outstanding use of Fund credit have been allocated to the four credit tranches, each equivalent in size to 25 per cent of quota. The credit tranches originally represented the only means by which the Fund extended general financial assistance above the reserve tranche.[1] With the subsequent development of an array of additional policies and facilities, which have expanded members' access to the Fund's resources beyond the credit tranches, the attribution of balances of a member's currency acquired by the Fund as a result of purchases of Fund credit has accordingly become more complex. The credit tranches nevertheless still represent the basic element in the Fund's scheme of financial assistance and are therefore referred to as the Fund's 'regular' facilities.

If the Fund's holding of a member's currency falls below its quota level, into its reserve tranche (as a result of reserve asset subscription or net use of its currency by the Fund), the member's resulting 'reserve tranche position' is treated by the Fund as a reserve asset on which the member has an unconditional drawing right. The purpose of this is to give assurance to members that the counterpart to financial support of the Fund, which generally involves the provision of reserves, is a liquid claim, the acquisition of which will not undermine their own reserves. Reserve tranche positions are, therefore, generally included in members' reserves, which means that financial support of the Fund is deemed only to change the composition but not the overall level of members' reserves. The Fund has sought to encourage this treatment by increasing the flexibility with which members can use their reserve tranche positions. There is, therefore, no obligation on a member to repurchase any use it has made of its reserve tranche position. Moreover, whereas members were formerly obliged to purchase any reserve tranche positions before purchasing Fund credit, the Fund has gradually relaxed this requirement for various policies and facilities. Since May 1981, members have had almost complete freedom to retain reserve tranche positions when they use Fund credit or, alternatively, to acquire and enlarge these positions while still in debt to the Fund.

Since 1968, the Fund has also sought to enhance the reserve asset quality of the reserve tranche by paying interest or 'remuneration'. At the present time, remuneration is only paid on a portion of a reserve tranche position. This is determined by a threshold or 'norm for remuneration' below which the Fund's holdings of a member's currency must fall before remuneration is payable. For members which had joined the Fund by 1 April 1978, the norm for remuneration is set at the equivalent of 75 per cent of quota on 1 April 1978 plus the full amount of subsequent quota increases.[2] Most members will therefore have a different norm for remuneration, but norms will tend to increase as a percentage of quota over time.

The Fund has also gradually increased the rate of remuneration which it pays. Currently, this is 85 per cent of the rate of interest paid on holdings of SDRs. The intention is that this percentage should be increased to the full SDR interest rate, when conditions permit.

Because holdings of members' currencies are used as measures of their credit or indebtedness, the Fund tries to avoid holding undisbursed or unrepaid borrowed resources as these would distort members' positions in the Fund. Thus borrowed resources would inappropriately reduce the reserve tranche positions of members lending to the Fund and/or establish holdings of currency in the Fund which would be identical to those arising as counterparts of purchases from the Fund. Moreover, the Fund has generally borrowed from members in currencies other than their own. Undisbursed holdings of borrowing in this case would therefore affect the positions in the Fund of members issuing these currencies, while they were not actually involved in lending to the Fund. To avoid these problems, the Fund has generally sought to match its own borrowings and repayments with the purchases and repurchases of members. Where this has not proved feasible, as in the case of the EAR, the Fund has used the Borrowed Resources Suspense Accounts to hold temporarily undisbursed or unrepaid borrowed resources apart from its other holdings of currencies and so insulate members' positions in the Fund. As lending to the Fund cannot enlarge the reserve tranche position, which traditionally measures the extent of members' credit to the Fund, a wider measure has been established in the form of a reserve position in the Fund, which is the sum of a member's reserve tranche position and outstanding claims on the Fund arising from lending of a similar maturity to that of Fund lending. Like the narrower reserve tranche positions, reserve positions are generally included in members' reserves.

A member drawing on the Fund above the reserve tranche is charged on its outstanding purchases. (In line with the general treatment of the reserve tranche as a reserve asset, no charge is levied on a reserve tranche purchase.) There is a fixed service charge of $\frac{1}{2}$ per cent of the amount of each purchase, and periodic charges, which vary according to

(1) The limit of 100 per cent of quota on outstanding access reflects the rule of thumb used by the original architects of the Fund to the effect that, assuming quota shares are reasonably in line with economic importance and assuming a normal pattern of payments imbalances, total quotas of members in balance of payments deficit (ie potential debtors to the Fund) would broadly match total quotas of members in balance of payments surplus (ie potential creditors). The size of the individual credit tranches reflects the fact that members' access to Fund credit was originally limited to 25 per cent of quota per annum.

(2) For countries joining the Fund after 1 April 1978, the norm has been set at the equivalent of the weighted average of the norms for the existing membership on the date of subscription plus the amount of subsequent quota increases.

The United Kingdom's financial relations with the Fund

The United Kingdom currently has a quota of SDR 4,387.5 million. This is the largest in the Fund after the United States (and has been since the establishment of the Fund in 1945—although the United Kingdom's share of total quotas has fallen from about 14.9 per cent then to its present 7.2 per cent). Under the Eighth General Review, the UK quota will be increased to SDR 6,194 million (6.9 per cent of total proposed quotas). The United Kingdom's participation in the GAB has also been raised, from about SDR 505 million to SDR 1,700 million. To date, the United Kingdom has never been called on to contribute under its Arrangement. In fact, it has been the principal beneficiary, drawing in 1964, 1965, 1967, 1969 and 1977, and has also borrowed from Switzerland under that country's associated agreement, in 1964 and 1965.

Historically, the United Kingdom has made the largest cumulative purchases from the Fund (SDR 9,778 million). The last drawing was in August 1977 under its 1976 stand-by arrangement. The last outstanding purchase, however, was one which had been made under the 1975 Oil Facility (SDR 1,000 million in January 1976); repurchases were completed in January 1983.

Currently, the United Kingdom is in credit with the Fund. Sterling has been included in the Operational Budget for use in purchases by other members since April 1981. Thus at end-September 1983, the Fund's holdings of sterling stood at some SDR 2,802 million, or about 64 per cent of quota, giving the United Kingdom a reserve tranche position in the Fund of about SDR 1,586 million and, with a norm for remuneration of SDR 3,687.5 million, a remunerated position of about SDR 886 million. Moreover, in June 1981, the Bank of England extended a short-term line of credit to the Fund in support of the EAR, in parallel with a government, the central banks and other official agencies of seventeen other industrial countries.

The United Kingdom's financial relations with the Fund are described in Table 10.8 of *Financial Statistics* published by the Central Statistical Office, a summary of which is reproduced in the table above; the UK position in the Fund since 1975 is illustrated in the chart.

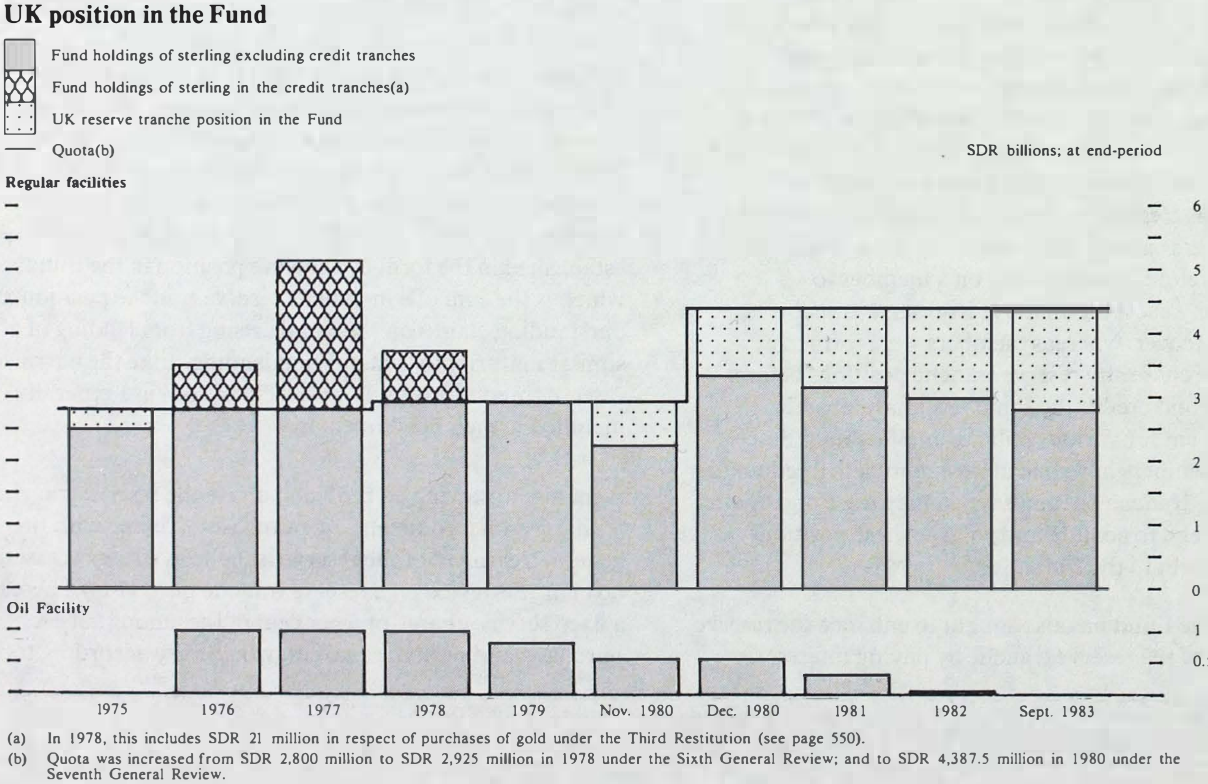
UK transactions and position with the IMF

£ millions

	Transactions affecting IMF holdings of sterling(a)				IMF holdings of sterling at end of period	Reserve tranche
	Net drawings by other countries	Special Oil Facility UK net drawings	Maintenance of value payments	Total change in IMF holdings of sterling		
1981						
Q1	—	− 36	—	− 36	2,193	597
Q2	− 31	− 35	− 44	−110	2,083	622
Q3	− 74	− 38	—	−112	1,971	784
Q4	− 9	− 40	—	− 49	1,922	763
1982						
Q1	− 30	− 39	—	− 69	1,853	796
Q2	− 32	− 59	262	171	2,024	836
Q3	− 7	− 32	—	− 39	1,985	840
Q4	− 37	− 32	—	− 69	1,916	892
1983						
Q1	−158	− 36	—	−194	1,722	1,204
Q2	17	—	188	205	1,927	1,111
Q3	14	—	—	14	1,941	1,117

(a) Increase in IMF holdings of sterling +/decrease −.

UK position in the Fund



(a) In 1978, this includes SDR 21 million in respect of purchases of gold under the Third Restitution (see page 550).

(b) Quota was increased from SDR 2,800 million to SDR 2,925 million in 1978 under the Sixth General Review; and to SDR 4,387.5 million in 1980 under the Seventh General Review.

the policy or facility under which the purchase has been made. The main distinction in this respect is between ordinary and borrowed resources. The Fund's charges on members' use of borrowed resources are equal to the cost to the Fund of those resources plus a margin (generally of 0.2 per cent per annum, but 0.325 per cent in the case of SFF borrowing outstanding beyond $3\frac{1}{2}$ years). Charges on borrowed resources consequently reflect the general level of market rates. These charges are fixed retrospectively each half-year. For the first half of 1983, the rates of charge on use of the SFF and EAR were 10.45–10.575 and 10.75 per cent per annum, respectively.(1)

On ordinary resources, on the other hand, the Fund levies a single rate of charge. This is lower than market rates, reflecting a number of factors: the below-market rate of remuneration paid to members whose currencies are lent by the Fund, the income earned by the Fund from service charges, the margins charged on the use of borrowed resources and earned on the Fund's holdings of SDRs, the comparatively cheap resources available to the Fund from the GAB, and interest-free resources derived largely from the Fund's gold sales. The rate of charge on the use of ordinary resources for the financial year to end-April 1984 is 6.6 per cent per annum.(2)

The rate of charge on the use of ordinary resources is determined, around the turn of the Fund's financial year, in the annual review of the Fund's income. It is set to balance the Fund's expected operating income with its expected operating and administrative expenses over the coming financial year and to provide a margin of net income (currently at a target level of 3 per cent of the Fund's total reserves at the start of the year). A mid-year review is undertaken to ensure that the Fund will not incur an income deficit.

Forms of financial assistance

In order that the Fund's financial assistance shall remain short term, the balance of payments needs of members purchasing from the Fund should either be cyclical and therefore self-reversing, or else those members should undertake programmes of economic and financial adjustment aimed at achieving viable external positions over a reasonable period of time. This is to ensure that members will be in a position to repurchase on schedule, perhaps even to contribute usable resources for the benefit of other members, and preserve the revolving character of the Fund's resources. To deal with cyclical deficits, the Fund has developed largely compensatory facilities for which repurchase is ensured by the self-reversing nature of the problem. As cyclical deficits are, however, frequently associated with other more basic difficulties, compensatory facilities are often accompanied by suitable programmes of adjustment.

The Fund's requirement that its financing must, in appropriate circumstances, be used to support economic and financial adjustment is referred to as 'conditionality'. It generally seeks to secure conditionality by phasing disbursements pending the achievement at each stage of the member's programme of specified targets or performance criteria. The choice of particular performance criteria is based largely on practical experience and the individual circumstances of the member. In general, however, performance criteria must be susceptible to precise and fairly immediate verification. Most are therefore quantitative, and many are financial magnitudes. In order to provide assurance to a member that a certain amount of resources will be available over a given period, the Fund minimises the number of performance criteria it applies and restricts them to objective factors. It also normally confines them to macroeconomic variables which have a clear bearing on the correction of balance of payments disequilibria. These broad considerations are codified in guidelines which are periodically reviewed.

Once a member seeking Fund resources has reached an understanding with the Fund on the appropriateness of its policies, the Fund will formalise its commitment to make specified resources available over a given period (conditional on performance). The legal vehicle of the Fund's conditional commitment has traditionally been the stand-by arrangement. The characterisation of the relationship between Fund and member as an arrangement, rather than an agreement, is a deliberate indication that no contractual obligation is established.

As the traditional instrument by which the Fund has made its conditional assistance available to members, the stand-by arrangement has inevitably come to be associated with the provision of resources through the credit tranches. However, the economic disruptions following the oil price increases of 1973–74 and 1979–80 and, in particular, the size, nature and persistence of the consequent balance of payments disequilibria, have prompted the Fund to develop new policies and facilities opening access above the credit tranches.

In 1974, the Fund established the Extended Fund Facility (EFF) to help members tackle more persistent balance of payments difficulties. Specifically, the EFF is intended to address problems arising from structural maladjustments in production and trade, and where cost and price distortions have been widespread, or where slow growth and an inherently weak balance of payments prevent a country from pursuing an active development policy. In such circumstances both the extent and period of financial support may need to be increased: the EFF has expanded the amount of Fund assistance that can be made available up to 140 per cent of quota, and extended the normal maximum period from one year under stand-by

(1) Certain developing members drawing on the 1975 Oil Facility and the SFF have received subsidies on the charges they pay to the Fund. The Oil Facility Subsidy Account, established in 1975, was funded by donations from twenty-four members and Switzerland. It reduced charges on developing members most seriously affected by oil price increases from about 7.7 to 2.7 per cent per annum. This account was closed in August 1983. The SFF Subsidy Account, established in 1980, is endowed largely from Trust Fund loan repayments. Its maximum rate of subsidy is equivalent to 3 per cent of the SFF charges on certain low-income developing members.

(2) The degree of subsidy on the Fund's ordinary resources below the rate of remuneration is given by comparing the rate of charge with the rate of remuneration, which, at end-September 1983, was 7.34 per cent.

arrangements, up to three years; also it has extended the maturity of purchases from the usual spread of about 3 to 5 years for credit tranche drawings, to about 4 to 10 years. In order to establish formally a commitment under the EFF, the traditional stand-by arrangement has been suitably modified to produce a new (but legally identical) instrument in the form of the extended arrangement.

In January 1976, pending the implementation of the Sixth General Review quota increases (which eventually became effective in April 1978), the Fund temporarily enlarged the credit tranches by 45 per cent (ie each credit tranche was expanded from 25 per cent of quota to 36.25 per cent). It decided to further augment members' access to conditional resources through the SFF, for which the Fund undertook new borrowing. The SFF became operational in February 1979 and has been used to supplement ordinary resources provided both through the credit tranches and the EFF.[1]

Access to resources financed in part from the SFF was originally limited to an outstanding use of SFF resources equivalent to 300 per cent of quota. This implied maximum access under stand-bys of 400 per cent of quota (100 per cent of ordinary resources through the credit tranches plus 300 per cent of borrowed SFF resources) or 440 per cent under extended arrangements (140 per cent of ordinary resources under the EFF plus 300 per cent of borrowed SFF resources). Access up to these limits, however, was restricted to special circumstances, such as where a member was undertaking exceptionally strong adjustment measures, or where its quota was especially out of line with its relative economic size. In June 1980, in the light of experience with arrangements including SFF resources, the Fund reset the overall limits at 200 per cent of quota a year up to 600 per cent over three years. Provision was also made to exceed these limits in exceptional circumstances, particularly where it is considered necessary to front-load an arrangement established for more than a year. In January 1981, to take account of the Seventh General Review quota increases, limits on normal access were reduced to 150 per cent of quota a year up to 450 per cent over three years, subject to a cumulative limit equivalent to 600 per cent of quota.[2] Purchases financed from the SFF have a maturity of $3\frac{1}{2}$ to 7 years.

The SFF was fully committed by February 1982, although resources can still be drawn until February 1984. In view of the continued deterioration in general economic circumstances, the Fund undertook to make further supplementary resources available to its members under the EAR. The EAR has continued the access limits adopted in January 1981 under the SFF, and purchases under the EAR also have the same maturity.[3] In 1984, access under the EAR will be subject to normal annual limits of 102 and 125 per cent of quota, three-year limits of 306 and 375 per cent, and cumulative limits of 408 and 500 per cent, depending on the seriousness of a member's balance of payments need and the strength of its adjustment effort. These limits will be reviewed annually.[4]

Access to policies and facilities involving little or no conditionality has also been expanded and diversified. Traditionally, access which is largely free of conditions has been provided through the first credit tranche. This element has been preserved under the EFF. Thus, a member with an extended arrangement can independently draw on its first credit tranche if it wishes. In effect, therefore, its maximum access to ordinary resources is equal to 165 per cent of quota—25 per cent under the first credit tranche plus 140 per cent under the EFF (EFF access can, of course, be supplemented by borrowed resources, currently up to the overall EAR limits). Outstanding first credit tranche purchases are included in the overall limits on access to the Fund's resources.

Access to low-condition assistance was expanded beyond the first credit tranche by the establishment of special facilities designed to address particular balance of payments problems. The most important of these facilities is the Compensatory Financing Facility (CFF) introduced in 1963. This is mainly intended to deal with shortfalls in the

Table E
Maximum access to the Fund's resources under its current policies and facilities

Per cent of quota

	Where regular access is through:	
	Stand-by arrangement(a)	Extended arrangement(a)
Regular facilities		
Reserve tranche	(b)	(b)
Credit tranches	100	25
of which:		
First credit tranche	*25*	*25*
Upper credit tranches (3)	*75*	—
Extended Fund Facility (EFF)	—	140
Supplementary Financing Facility (SFF) / Enlarged Access Policy (EAR)	350/500(c)	285/435(c)
	450/600	450/600
Special facilities		
Compensatory Financing Facility (CFF)	125(d)	125(d)
of which:		
Export shortfalls	*100*	*100*
Cereal import cost excesses	*100*	*100*
Buffer Stock Financing Facility (BSFF)	50	50
	175	175
Total	**625/775**	**625/775**

(a) For clarity, access is demonstrated as being entirely through one or the other of a stand-by or extended arrangement. In practice, a member can draw under one type of arrangement, while still indebted to the Fund for purchases made under a previous arrangement, but only up to an outstanding limit of 165 per cent of quota for ordinary resources (ie through the credit tranches and the EFF), and up to 450 per cent over three years and 600 per cent cumulatively for both ordinary and borrowed resources.

(b) This will depend on the net cumulative total of each member's past reserve asset subscriptions, reserve tranche purchases and net use of its currency by the Fund.

(c) Maximum access to the SFF and EAR under stand-by and extended arrangements is limited to 350 and 285 per cent of quota, respectively, over three years, or 500 and 435 per cent cumulatively.

(d) While maximum access to each window of the CFF is set at 100 per cent of quota, there is a combined limit of 125 per cent.

(1) In individual purchases, SFF resources are combined with the ordinary resources made available through the credit tranches and under the EFF according to prescribed mixing ratios. Under a stand-by arrangement, a member purchases $12\frac{1}{2}$ per cent of quota in SFF resources with the first credit tranche and 30 per cent with each upper credit tranche: above this level (ie 100 per cent of quota in ordinary resources and $102\frac{1}{2}$ per cent in SFF resources), all further purchases are of SFF resources. Under an extended arrangement, a member purchases ordinary and borrowed resources in equal proportions up to the limit of 140 per cent of quota of ordinary resources available under the EFF (ie up to 140 per cent of quota in ordinary resources matched by 140 per cent in SFF resources): above this, all further purchases are of SFF resources.

(2) The cumulative limits on access under stand-by and extended arrangements are net of repurchases scheduled for the period of an arrangement.

(3) EAR also maintains the mixing ratios adopted under the SFF.

(4) The Fund is in the process of reviewing mixing ratios.

Table F
Financial assistance by the International Monetary Fund; annual purchases, 1973–83
SDR millions

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	Jan.–Sept. 1983
Regular policies and facilities											
Reserve tranche	391	966	723	991	80	2,536	147	359	310	1,336	926
Credit tranches	228	1,265	641	1,478	2,895	421	648	855	1,662	1,064	1,646
Extended Fund Facility (EFF)	—	—	8	90	209	174	132	339	1,041	1,057	1,384
Supplementary Financing Facility (SFF)	—	—	—	—	—	—	306	1,218	2,040	1,711	1,349
of which:											
Stand-by arrangements	—	—	—	—	—	—	*205*	*943*	*1,469*	*982*	*615*
Extended arrangements	—	—	—	—	—	—	*101*	*275*	*571*	*728*	*734*
Enlarged Access Policy (EAR)	—	—	—	—	—	—	—	—	787	846	2,357
of which:											
Stand-by arrangements	—	—	—	—	—	—	—	—	*306*	*491*	*1,529*
Extended arrangements	—	—	—	—	—	—	—	—	*481*	*354*	*828*
Special facilities											
Compensatory Financing Facility (CFF)	113	107	239	2,308	241	578	572	980	1,243	2,628	2,369
of which:											
Export shortfalls	*113*	*107*	*239*	*2,308*	*241*	*578*	*572*	*980*	*1,231*	*2,333*	*2,369*
Cereal import cost excesses	—	—	—	—	—	—	—	—	*12*	*295*	—
Buffer Stock Financing Facility (BSFF)	—	—	5	—	—	36	38	—	—	144	244
Oil Facilities	—	1,716	3,043	2,143	—	—	—	—	—	—	—
Total	**733**	**4,053**	**4,658**	**7,010**	**3,425**	**3,744**	**1,843**	**3,753**	**7,082**	**8,784**	**10,274**
Trust Fund	—	—	—	—	153	688	527	1,256	368	—	—

export earnings of primary producers.[1] Conditionality has been moderated because of the cyclical nature of the balance of payments problems being addressed. However, some conditions have been retained under the CFF because cyclical problems are often associated with more deep-seated difficulties; they have taken the form of the requirement that the member 'will co-operate'—and above a certain level of access 'has been co-operating'—with the Fund in an effort to find, where required, solutions to its balance of payments problems. The CFF is financed from the Fund's ordinary resources and, therefore, has terms identical to those on credit tranche purchases.

Access under the CFF was originally fixed at a maximum of 25 per cent of quota. By 1979, this limit had been raised to 100 per cent. Moreover, the facility has been broadened to include not only merchandise exports, as originally provided, but also tourist receipts and workers' remittances. In May 1981, it was further broadened to include temporary excesses in cereal import costs (which are treated in effect as negative exports): the limit on compensation for cereal import cost excesses is equivalent to 100 per cent of quota, but is subject to a combined limit on compensation in respect of export shortfalls and cereal import cost excesses of 125 per cent of quota. These access limits are currently being reviewed in connection with the Eighth General Review quota increases.

Related to the CFF, the Fund established the Buffer Stock Financing Facility (BSFF) in 1969 to finance members' contributions to commodity buffer stocks intended to dampen cyclical export price fluctuations.[2] Like the CFF, the BSFF is financed from the Fund's ordinary resources and its terms are similar to those of CFF purchases. A member can have outstanding purchases under the BSFF up to 50 per cent of quota.

Other forms of low-condition assistance offered by the Fund have been the temporary Oil Facilities of 1974 and 1975, and the Trust Fund, both inspired largely to deal with the consequences of the disruption caused by the oil price increases of 1973–74. The last purchases under the Oil Facilities were made in February 1976. The last Trust Fund loans were disbursed in March 1981. Members' potential access to the Fund's resources under the various policies and facilities is summarised in Table E and the Fund's actual lending under each is set out in Table F.

Further information about the Fund

The Fund produces a number of publications[3] describing its financial activities, both in principle and in practice. Basic background is provided in the *IMF Pamphlet Series,* particularly in the general introduction to the Fund given in No 37, 'The International Monetary Fund: its evolution, organisation, and activities', third edition, by A W Hooke, 1983. Current developments in the activities of the Fund are covered in the Fund's *Annual Report* and, more frequently, in the fortnightly *IMF Survey* and in the *Supplements on the Fund* issued at the time of the IMF/IBRD annual meetings and spring Interim Committee meetings. Occasional articles on aspects of the Fund's financial assistance appear in the quarterly journal *Finance and Development.* A background is provided in the histories of the Fund: the volumes covering the period 1972–78, compiled by Margaret Garritsen de Vries, are to be published shortly. Detailed current statistical data on members' financial relations with the Fund are included monthly in *International Financial Statistics.*

(1) Specifically, the CFF is intended to meet temporary shortfalls in export receipts largely attributable to circumstances beyond a member's control. A member has the option to include tourist receipts and workers' remittances, but for a minimum five-year period. A member can purchase in respect of a year for which the Fund has sufficient data, where twelve months data may be estimated or forecast for services and six months for merchandise exports. The shortfall is measured against a medium-term trend calculated as a five-year average centred on the shortfall year.

(2) The BSFF is available to meet contributions by members in temporary balance of payments need to international buffer stock arrangements meeting certain Fund criteria (principally, compatibility with the purposes of the Fund, economic soundness and observation of principles of intergovernment relations laid down by the United Nations). It is intended for financing stockbuilding, paying operating expenses of buffer stock agencies, and refinancing short-term debt incurred as a result of contributions to stockbuilding and operating expenditures.

(3) Copies of Fund publications and information on subscriptions can be obtained from:
External Relations Department
Attention: Publications
International Monetary Fund, Washington, DC 20431, USA
Telephone: (202) 473 7430 Cable address: Interfund.

Annex
Quotas in the International Monetary Fund: present and as proposed in the Eighth General Review

SDR millions; *percentages in italics*

Member	Quota		Quota share	
	Present	Proposed	Present	Proposed
Afghanistan	67.5	86.7	*0.111*	*0.096*
Algeria	427.5	623.1	*0.700*	*0.692*
Antigua and Barbuda	3.6	5.0	*0.006*	*0.006*
Argentina	802.5	1,113.0	*1.314*	*1.236*
Australia	1,185.0	1,619.2	*1.941*	*1.798*
Austria	495.0	775.6	*0.811*	*0.861*
Bahamas	49.5	66.4	*0.081*	*0.074*
Bahrain	30.0	48.9	*0.049*	*0.054*
Bangladesh	228.0	287.5	*0.373*	*0.319*
Barbados	25.5	34.1	*0.042*	*0.038*
Belgium	1,335.0	2,080.4	*2.186*	*2.311*
Belize	7.2	9.5	*0.012*	*0.011*
Benin	24.0	31.3	*0.039*	*0.035*
Bhutan	1.7	2.5	*0.003*	*0.003*
Bolivia	67.5	90.7	*0.111*	*0.101*
Botswana	13.5	22.1	*0.022*	*0.025*
Brazil	997.5	1,461.3	*1.634*	*1.623*
Burma	109.5	137.0	*0.179*	*0.152*
Burundi	34.5	42.7	*0.057*	*0.047*
Cameroon	67.5	92.7	*0.111*	*0.103*
Canada	2,035.5	2,941.0	*3.334*	*3.267*
Cape Verde	3.0	4.5	*0.005*	*0.005*
Central African Republic	24.0	30.4	*0.039*	*0.034*
Chad	24.0	30.6	*0.039*	*0.034*
Chile	325.5	440.5	*0.533*	*0.489*
China	1,800.0	2,390.9	*2.948*	*2.656*
Colombia	289.5	394.2	*0.474*	*0.438*
Comoros	3.5	4.5	*0.006*	*0.005*
Congo	25.5	37.3	*0.042*	*0.041*
Costa Rica	61.5	84.1	*0.101*	*0.093*
Cyprus	51.0	69.7	*0.084*	*0.077*
Denmark	465.0	711.0	*0.762*	*0.790*
Djibouti	5.7	8.0	*0.009*	*0.009*
Dominica	2.9	4.0	*0.005*	*0.004*
Dominican Republic	82.5	112.1	*0.135*	*0.125*
Ecuador	105.0	150.7	*0.172*	*0.167*
Egypt	342.0	463.4	*0.560*	*0.515*
El Salvador	64.5	89.0	*0.106*	*0.099*
Equatorial Guinea	15.0	18.4	*0.025*	*0.020*
Ethiopia	54.0	70.6	*0.088*	*0.078*
Fiji	27.0	36.5	*0.044*	*0.041*
Finland	393.0	574.9	*0.644*	*0.639*
France	2,878.5	4,482.8	*4.714*	*4.979*
Gabon	45.0	73.1	*0.074*	*0.081*
Gambia	13.5	17.1	*0.022*	*0.019*
Germany, Federal Republic	3,234.0	5,403.7	*5.296*	*6.002*
Ghana	159.0	204.5	*0.260*	*0.227*
Greece	277.5	399.9	*0.454*	*0.444*
Grenada	4.5	6.0	*0.007*	*0.007*
Guatemala	76.5	108.0	*0.125*	*0.120*
Guinea	45.0	57.9	*0.074*	*0.064*
Guinea-Bissau	5.9	7.5	*0.010*	*0.008*
Guyana	37.5	49.2	*0.061*	*0.055*
Haiti	34.5	44.1	*0.057*	*0.049*
Honduras	51.0	67.8	*0.084*	*0.075*
Hungary	375.0	530.7	*0.614*	*0.589*
Iceland	43.5	59.6	*0.071*	*0.066*
India	1,717.5	2,207.7	*2.813*	*2.452*
Indonesia	720.0	1,009.7	*1.179*	*1.121*
Iran	660.0	1,117.4	*1.081*	*1.241*
Iraq	234.1	504.0	*0.383*	*0.560*
Ireland	232.5	343.4	*0.381*	*0.381*
Israel	307.5	446.6	*0.504*	*0.496*
Italy	1,860.0	2,909.1	*3.046*	*3.231*
Ivory Coast	114.0	165.5	*0.187*	*0.184*
Jamaica	111.0	145.5	*0.182*	*0.162*
Japan	2,488.5	4,223.3	*4.076*	*4.691*
Jordan	45.0	73.9	*0.074*	*0.082*
Kampuchea	25.0	25.0	*0.041*	*0.028*
Kenya	103.5	142.0	*0.170*	*0.158*
Korea, South	255.9	462.8	*0.419*	*0.514*
Kuwait	393.3	635.3	*0.644*	*0.706*
Laos	24.0	29.3	*0.039*	*0.033*
Lebanon	27.9	78.7	*0.046*	*0.087*
Lesotho	10.5	15.1	*0.017*	*0.017*
Liberia	55.5	71.3	*0.091*	*0.079*
Libya	298.4	515.7	*0.489*	*0.573*
Luxembourg	46.5	77.0	*0.076*	*0.086*
Madagascar	51.0	66.4	*0.084*	*0.074*
Malawi	28.5	37.2	*0.047*	*0.041*
Malaysia	379.5	550.6	*0.622*	*0.612*
Maldives	1.4	2.0	*0.002*	*0.002*
Mali	40.5	50.8	*0.066*	*0.056*
Malta	30.0	45.1	*0.049*	*0.050*
Mauritania	25.5	33.9	*0.042*	*0.038*
Mauritius	40.5	53.6	*0.066*	*0.060*
Mexico	802.5	1,165.5	*1.314*	*1.294*
Morocco	225.0	306.6	*0.368*	*0.341*
Nepal	28.5	37.3	*0.047*	*0.041*
Netherlands	1,422.0	2,264.8	*2.329*	*2.515*
New Zealand	348.0	461.6	*0.570*	*0.513*
Nicaragua	51.0	68.2	*0.084*	*0.076*
Niger	24.0	33.7	*0.039*	*0.037*
Nigeria	540.0	849.5	*0.884*	*0.944*
Norway	442.5	699.0	*0.725*	*0.776*
Oman	30.0	63.1	*0.049*	*0.070*
Pakistan	427.5	546.3	*0.700*	*0.607*
Panama	67.5	102.2	*0.111*	*0.114*
Papua New Guinea	45.0	65.9	*0.074*	*0.073*
Paraguay	34.5	48.4	*0.057*	*0.054*
Peru	246.0	330.9	*0.403*	*0.368*
Philippines	315.0	440.4	*0.516*	*0.489*
Portugal	258.0	376.6	*0.423*	*0.418*
Qatar	66.2	114.9	*0.108*	*0.128*
Romania	367.5	523.4	*0.602*	*0.581*
Rwanda	34.5	43.8	*0.057*	*0.049*
St Lucia	5.4	7.5	*0.009*	*0.008*
St Vincent & Grenadines	2.6	4.0	*0.004*	*0.004*
São Tomé and Principe	3.0	4.0	*0.005*	*0.004*
Saudi Arabia	2,100.0	3,202.4	*3.439*	*3.557*
Senegal	63.0	85.1	*0.103*	*0.095*
Seychelles	2.0	3.0	*0.003*	*0.003*
Sierra Leone	46.5	57.9	*0.076*	*0.064*
Singapore	92.4	250.2	*0.151*	*0.278*
Solomon Islands	3.2	5.0	*0.005*	*0.006*
Somalia	34.5	44.2	*0.057*	*0.049*
South Africa	636.0	915.7	*1.042*	*1.017*
Spain	835.5	1,286.0	*1.368*	*1.428*
Sri Lanka	178.5	223.1	*0.292*	*0.248*
Sudan	132.0	169.7	*0.216*	*0.188*
Surinam	37.5	49.3	*0.061*	*0.055*
Swaziland	18.0	24.7	*0.029*	*0.027*
Sweden	675.0	1,064.3	*1.105*	*1.182*
Syria	94.5	139.1	*0.155*	*0.154*
Tanzania	82.5	107.0	*0.135*	*0.119*
Thailand	271.5	386.6	*0.445*	*0.429*
Togo	28.5	38.4	*0.047*	*0.043*
Trinidad and Tobago	123.0	170.1	*0.201*	*0.189*
Tunisia	94.5	138.2	*0.155*	*0.153*
Turkey	300.0	429.1	*0.491*	*0.477*
Uganda	75.0	99.6	*0.123*	*0.111*
United Arab Emirates	202.6	385.9	*0.332*	*0.429*
United Kingdom	4,387.5	6,194.0	*7.186*	*6.880*
United States	12,607.5	17,918.3	*20.648*	*19.902*
Upper Volta	24.0	31.6	*0.039*	*0.035*
Uruguay	126.0	163.8	*0.206*	*0.182*
Vanuatu	6.9	9.0	*0.011*	*0.010*
Venezuela	990.0	1,371.5	*1.621*	*1.523*
Vietnam	135.0	176.8	*0.221*	*0.196*
Western Samoa	4.5	6.0	*0.007*	*0.007*
Yemen Arab Republic	19.5	43.3	*0.032*	*0.048*
Yemen, Peoples Democratic Republic of the	61.5	77.2	*0.101*	*0.086*
Yugoslavia	415.5	613.0	*0.680*	*0.681*
Zaire	228.0	291.0	*0.373*	*0.323*
Zambia	211.5	270.3	*0.346*	*0.300*
Zimbabwe	150.0	191.0	*0.246*	*0.212*
Total	**61,059.8**	**90,034.8**		