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*Yugoslavia*

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RESIDENT CLERK

GR 200  
CONFIDENTIAL  
FM BELGRADE 291045Z DEC 82  
TO IMMEDIATE FCO  
TELNO 236 OF 29.12.82  
INFO IMMEDIATE WASHINGTON, PARIS, BONN, BERNE AND PRIORITY TO  
ROME, VIENNA, TOKYO AND UKDEL IMF/IBRD  
INFOSAVING UKDEL OECD

MY TELNO 237: YUGOSLAVIA'S ECONOMIC CRISIS.

1. AFTER COMPARING NOTES WITH MY US AND GERMAN COLLEAGUES I SHOULD ADD TWO POINTS OF CLARIFICATION ON PARAGRAPH 5 OF MY TUR.

FIRST, WHEN DRAGAN REFERRED TO THE IMF INSTALMENT OF 620 MILLION DOLLARS HE WAS PERHAPS ASSUMING THAT THE YUGOSLAVS COULD PERSUADE THE IMF TO DEFER REPAYMENT OF 220 MILLION DOLLARS DUE NEXT YEAR. ANDERSON HAS TOLD DRAGAN HE SHOULD NOT MAKE THIS ASSUMPTION, AND SHOULD NOT COUNT ON MORE THAN 400 MILLION DOLLARS NEW IMF MONEY.

(THIS APPEARS TO BE CONSISTENT WITH APPENDIX 1 OF IMF DOCUMENT  
EBS/82/181 OF 7 OCTOBER)

SECOND, THE YUGOSLAVS HAVE BEEN GIVEN REASON TO HOPE FOR A  
STRUCTURAL LOAN OF 300 MILLION DOLLARS FROM IBRD, THOUGH THIS IS  
UNLIKELY TO BE AVAILABLE FOR NINE MONTHS OR SO.

2. ACCORDING TO ANDERSON THE AMERICANS ARE PROPOSING THAT THE  
GROUP OF PARTICIPANTS IN THE INTERNATIONAL CREDIT PACKAGE SHOULD  
NOW BE WIDENED TO INCLUDE BELGIUM, CANADA, NETHERLANDS, DENMARK,  
NORWAY, SWEDEN, FINLAND AND KUWAIT, THOUGH IT IS NOT CLEAR WHETHER  
THESE COUNTRIES WILL BE INVITED TO THE NEXT MEETING.

SCOTT.

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