Econ Pol
Swp
bc. Mr. Walters
+ report (copied already below)

10 DOWNING STREET

From the Private Secretary 1 February 1983

Thank you very much for your letter of 31 January, with which you enclosed a further report prepared by the Bank of England on the international banking system.

The Prime Minister read this with great interest. She would indeed like to continue to receive reports of this kind. So far as the format of the reports is concerned, I doubt whether it is necessary to include detailed annexes which were appended to the report. No doubt this material is readily available if the Prime Minister wished to have the detailed information; so that it would be best to keep the size of the report down in this way.

I am sending copies of this letter to Brian Fall (Foreign and Commonwealth Office) and Tim Allen (Bank of England).

M. C. SCHOLAR

John Kerr, Esq.,
HM Treasury.

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Prime Minister

I assume you would like to go on receiving these reports?

MES 31/1

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Michael Scholar, Esq
10 Downing Street
LONDON SW1

31 January 1983

Dear Michael,

I enclose a further report prepared by the Bank of England on the international banking situation, together with annexes discussing individual countries in more detail. You will realise that this continues to be a fast-moving scene, and that the notes on particular countries are liable to become out of date very quickly.

The Treasury and Bank of England are in close touch continuously on these subjects, and review the position more comprehensively every few weeks with FCO officials and others closely interested.

Perhaps you would let me know if you would like to continue to receive reports of this kind, and whether the form of the attached material is about right.

Copies of this letter, and the report, go to Brian Fall at the FCO and Tim Allen at the Bank.

Yours ever,

John Kerr.

J O KERR

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INTERNATIONAL BANKING SITUATION

Since November the main preoccupation of the markets has shifted from Mexico to Brazil, which has been forced by its acute cash shortage to follow a rather similar path. The Brazilians, by protesting too much that their situation was under better control than the Mexican one and by mishandling their relations with the commercial bankers, initially created some confusion. Following strong pressure from the Bank, they have, however, now put the organisation in place for a fairly speedy conclusion to negotiations with the banks, and the response to their package of financing measures has been encouraging. Larosière has swung firmly behind the Brazilians' request and on Monday 24 January adopted the same tactics towards the banks as he did for Mexico, telling them that he would only recommend the Brazilians adjustment programme to the IMF Executive Board if he had confirmation from the banks that they had fully committed themselves to the financing package. The negotiations on most parts of the package for Argentina have been concluded except for final details of rescheduling of 1983 maturities.

The Venezuelans and the Chileans both have payments difficulties, but the root causes are rather different from the rest. Venezuela has a history of incompetent administration of its international financing, recently compounded by some loss of confidence in the domestic banks. It has sensibly decided to shift from a policy of reliance on short-term debt to funding with longer maturities but has handled the implementation poorly. Its once ample reserves are being dissipated in the process and now the prospects for the oil price threaten to worsen the situation. Chile's domestic difficulties have led to a crisis in their domestic banks; a number of these are either being liquidated or taken over by the government in a way which initially seemed to treat foreign creditors rather badly. Most of Chile's foreign debt has been contracted by private borrowers which makes it harder to find a collective solution.

There is some concern lest the domestic crisis spills over and infects their relations with foreign creditors.

In Eastern Europe, negotiations are in progress on restructuring 1983 maturities of Poland and Romania, although in the case of Poland, this is restricted to commercial bank debt until the conditions for the resumption of talks on official debt are met. Meanwhile, Poland enjoys de facto a 100% moratorium on official debt. The Yugoslav situation is more untidy, with Yugoslavia reluctantly accepting the need to restructure its debt within a package (including new money), largely put together at the instigation of the IMF and the US authorities and involving international institutions, governments and commercial banks. Details for the countries mentioned are given in the attached table and the country notes; there are also notes on East Germany and Hungary, which could also run into financing difficulties.

Confidence within the international markets is improving despite some unhelpful new developments, like the Chilean difficulties. The ability of the system to deal with shocks of this kind, demonstrated by the experience of the last half year, seems, for the time being at least, to have removed the fear of a widespread collapse of the system and to encourage confidence that major debt problems can be dealt with. Swift action by the authorities in providing inter-government or BIS/central bank assistance to Brazil in conjunction with firm handling by Larosière of the IMF relationship, both with the borrowers and the private lenders, has shown that official response to Mexico earlier on was not a flash in the pan but a demonstration by the authorities not to allow panic to cause or spread instability. A symptom of the restored resilience of the market against this background is the way it took in its stride this week the announcement that a US bank (Seafirst Corporation of Seattle) with large loan losses in the energy sector and considerable exposure to Latin America, had been given a $1.5 bn credit to strengthen it by a consortium of major US banks; this news last summer would have rung alarm bells throughout the international and US domestic banking markets.

Nevertheless, there is still some tension which will last until the agreements on the financing packages for the problem countries have been signed, probably within the next couple of months. Whether that tension lessens very much thereafter must depend on a number of other factors. The direction of the oil price in the wake of the disarray in OPEC is now hanging over some of the heavily indebted countries. If there is a substantial and rapid decline it will threaten the revenue of Mexico, Venezuela and some other countries like Nigeria and Indonesia which could be vulnerable. It could also have an adverse impact on energy-related borrowers in Canada and the US with the risk of a knock-on effect on some of their domestic banks.

Other debtor countries dependent on imported energy like Brazil will benefit from the improvement in their balance of payments and that prospect ought in principle to improve their creditworthiness. As well as this direct benefit, they could also be helped by any resulting general stimulus to the world economy which could reinforce the recovery expected later this year. However, there is a danger that the impact on Mexico and the other heavily indebted oil producers will lead to a more generalised deterioration in the financing climate. The banking community in the past has not always differentiated adequately between sovereign borrowers and if this were repeated then other Latin American countries would also find themselves under the same cloud.

In conclusion, the crisis has so far been successfully contained and we now have to nurse the recovery to cautious confidence. There are still risks. The appetite of the banks for international lending is expected in any event to be reduced. The outcome will be improved by signs of recovery in the major economies and any other indicators that the adjustment programmes agreed with the IMF can and will stick. Agreement in the forthcoming Interim Committee meeting on a substantial increase in Fund quotas will also do much to restore nerves.

INTERNATIONAL FINANCIAL SUPPORT PACKAGES

A: LATIN AMERICA

	MEXICO	BRAZIL	ARGENTINA	VENEZUELA	CHILE
Estimated debt outstanding (end-1982)	$83 bn	$81 bn	$39 bn	$28 bn	$18 bn
Payments arrears	Moratorium on public sector principal payments (from August 1982) during negotiation of restructuring	Moratorium on public & private sector principal payments (from January 1983) during negotiation of restructuring	-	-	-
	$1.3 bn principal and interest on private debt	-	$2.5 bn principal and interest on public and private debt	$84 mn which authorities have undertaken to pay off	-
Rescheduling negotiations	$19.5 bn public sector maturities reportedly falling due 23.8.82-31.12.84 (requested)	$4.0 bn public & private sector maturities falling due in 1983 (requested)	$5.5 bn public sector maturities overdue on 1.12.82 and falling due from then to 31.12.83 (requested)	$5.9 bn public sector short-term debt being refinanced — not strictly "rescheduled" (in progress)	$2.8 bn private commercial bank maturities falling due in 1983 and 1984 (request imminent)
Terms					
: LIBOR + (%)	+ 1 7/8	+ 2 1/8 - 2 1/2	+ 2 1/8	1-1 5/8	N/A
: Prime + (%)	+ 1 3/4	+ 1 7/8 - 2 1/4	+ 2	1 1/4 - 1 1/2	N/A
: fee (%)	1	1 1/2	1 1/8	?	N/A
: grace period (years)	4	2 1/2	3	0 - 2 1/2	N/A
: maturity (years)	8	8	7	2 - 7	3-5?
New money from banks	Target $5 bn for 1983 o/w over $4.7 bn committed by 24.1.83	Target $4.4 for 1983 o/w $4.1 bn committed by 24.1.83	Target $1.5 bn for 1983	-	not yet known
		$2 bn bridging loan apparently obtained	$1.1 bn bridging loan signed 31.12.82 ($600 mn drawn by 10.1.83)		
Official assistance				-	-
: BIS	$925 mn (almost fully drawn)	$1.2 bn (fully drawn)	$0.5 bn agreed		
o/w UK	($140 mn)	($110 mn)	(NIL)		
	$925 mn parallel US facility	$250 mn parallel SAMA facility			
: Governments	$2 bn requested	$1.5 bn (US Treasury)	-		
o/w UK	($150 mn)				
: IMF	SDR 3.4 bn (EFF) SDR 0.2 bn (1st credit tranche) (both approved December 1982)	SDR 4.2 bn (EFF) SDR 0.2 bn (1st credit tranche) (approval of both end-Feb?) SDR 0.5 bn (CFF) (approved Dec 1982)	SDR 1.5 bn (standby) SDR 0.5 bn (CFF) (both approved January 1983)		SDR 0.5 bn (standby) SDR 0.3 bn (CFF) both approved January 1983)

B: EASTERN EUROPE

	ROMANIA	YUGOSLAVIA
Estimated debt outstanding (end-1982)	$11 bn	$20 bn
Payments arrears	Principal payments temporarily suspended (from January 1983) during negotiation of restructuring	90-day deferral of principal payments falling due to 31.3.83 (from 18 January 1983) during negotiation of restructuring
	-	-
Rescheduling negotiations	$2 bn in 1981 arrears and 1982 maturities (signed) $1.1 bn of 1983 maturities (requested)	$1 bn medium/long-term debt maturities in 1983 rolled over (proposed) $2 bn short-term maturities rolled over for 18-24 months (proposed)
Terms		
: LIBOR + (%) : Prime + (%) : fee (%) : grace period (years) : maturity (years)	N/A	N/A
New money from banks	-	$1 bn proposed
Official assistance		
: BIS o/w Bank of England		$0.5 bn requested ($30 mn?)
: Governments o/w UK		$1.3 bn £78 mn
: IMF	SDR 1.1 bn (standby) approved June 1981 o/w SDR 450 mn drawn; SDR 368 mn to be available in 1983; balance in 1984 H1	SDR 1.7 bn (standby) approved o/w SDR 554 mn in 1983 (last year)

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EASTERN EUROPE

East Germany - GDR

1 Total convertible currency indebtedness has been as high as perhaps $16 bn but is probably now declining, at some considerable cost in terms of economic disruption. Existing undrawn credit facilities are sizeable but have nevertheless fallen quite sharply. GDR is unable to raise substantial new credits from Western banks. Figures recently released by the BIS show that gross debts to BIS banks (excluding banks in West Germany) have declined from over $10 bn at the end of December 1981 to $8 1/2 bn at the end of September 1982. The decline has been achieved partly by running down reserves and partly by savage cutbacks in imports, which cannot be sustained indefinitely. Payments delays and approaches to suppliers for longer than normal credit terms have become more frequent. We understand, in confidence, that an approach for assistance in raising a DM financing credit equivalent to some $1.5 bn was made to the West German government. The French have been requested to accept some deferment of repayment obligations. Serious debt servicing problems (and perhaps rescheduling) are still possible. ECGD has introduced tighter market limits but is still on cover.

Hungary

2 Total convertible currency indebtedness was $7.4 bn at the end of June 1982 having fallen from $8.7 bn at the end of December 1981. Hungary has been helped over short-term liquidity problems this year by several tranches of bridging finance from the BIS in which the Bank of England participated (without official guarantees). The amount outstanding at any one time has varied but is currently $300 mn of which the Bank share is 6.7 per cent. In response to a deteriorating convertible currency balance of payments position, and under the aegis of the IMF, the Hungarians introduced a number of measures, including devaluations and increases in consumer prices, and have also raised interest rates. The convertible currency current account, in consequence, is now in rough balance. On

8 December the IMF Board approved an economic adjustment programme providing $0.6 bn over 13 months. However, Hungary still faces a substantial debt burden over the next few years and will need further IMF programmes until debt is reduced to more manageable levels. The country will remain highly vulnerable to the weakness of banking confidence in Eastern Europe until large enough current account surpluses are achieved to repay some maturing debt and rebuild reserves. ECGD commitments are modest and under tight control.

Poland

3 Total convertible currency indebtedness is about $25 bn. Bank and official creditors both negotiated rescheduling agreements in respect of debts due in 1981. Following the declaration of martial law in December 1981 virtually none of the $10 bn convertible currency obligations falling due in 1982 has been paid. On 3 November this year the banks signed a rescheduling agreement covering 95 per cent of the $2.4 bn repayments of principal due in 1982. Under the agreement half the interest due in 1982 is to be lent back in the form of new three-year credits. Western official creditors agreed after the imposition of martial law not to resume talks on official rescheduling for the time being and did not attempt to negotiate a rescheduling agreement for 1982. In practice, the effect of this refusal has been to allow Poland to stop all payments, thereby gaining 100 per cent de facto relief on both principal and interest. We (and many other Western creditors, but excluding the US and France) would like to have a rescheduling agreement in place, so as to receive payment of at least some of the debt. The Poles are expected to begin negotiating the rescheduling of 1983 commercial bank maturities in early February. To some extent Polish insolvency has been discounted by the banks, many of which have written off a proportion of their loans, but total default would still impose a burden. ECGD is off cover.

Romania

4 Total convertible currency debt is about $11 bn. In July the Paris Club agreed the general terms of a rescheduling of 80% of

debts due in 1982. Bilateral agreements have now been signed with most creditor countries (including the UK). The separate negotiations on the rescheduling of bank debts were completed in December and the Romanians have now approached the Paris Club and commercial banks to propose rescheduling 75% of 1983 maturities. Governments have already agreed in principle to consider this provided that access to IMF resources remains open and banks are also likely to reach an agreement before too long. A substantial adjustment in the Romanian economy, and continuing access to IMF funds, should eliminate the need for reschedulings in subsequent years. ECGD is off cover.

Yugoslavia

5 Total indebtedness is about $20 bn. Notwithstanding an IMF upper tranche programme, Yugoslavia failed to come to grips with increasingly severe payments imbalances resulting from high growth and investment rates in the late 1970s. With reserves largely exhausted, an international package is being devised under IMF auspices to provide Yugoslavia with new credit whilst restructuring existing debt. To cope with the Yugoslav insistence that they will not reschedule, other euphemisms are being employed. Imports have been cut drastically and other recent economic measures include devaluations and increases in prices and interest rates. The IMF has now reached agreement on a tight programme, for the third year of the current standby agreement. This is the key to the proposed financial package which includes a $500 mn bridging facility by the BIS (backed partly by gold and partly by central banks) and some $1.3 bn in government credits as well as further IMF and IBRD monies. HMG's contribution to the government credits will be in the order of $125 mn (part of which is likely to serve initially as collateral for the Bank of England participation - expected to be around $30 mn - in the BIS bridging operation). The commercial banks are being requested to roll-over some $3 bn of maturities this year and to provide a further $1 bn in new money. Yugoslavia has, at their suggestion, sought a 90-day deferral of maturities to give more time for discussions. The indications are that a financial package is feasible, though its adequacy will depend on the success of the IMF programme . ECGD has a substantial exposure to Yugoslavia, but is now virtually off cover except for short-term business.

LATIN AMERICA

1 Argentina

Total indebtedness at end-1982 was an estimated $39 bn. Financial sanctions between the UK and Argentina were lifted jointly in September. Following subsequent negotiations, Argentina reached agreement in early November with the four main UK clearing banks on the settlement of debt arrears built up while the sanctions were in force. Other UK banks also subsequently began to receive payments from the Argentines. We understand that these arrears have been more or less settled. This paved the way for the signing of a $1.1 bn banks' bridge loan on 31 December and enabled discussions to continue on a further $1.5 bn medium-term loan (which bankers expect to be finalised by end-February) and on the rescheduling of $5.5 bn of public sector debt maturities overdue on 1.12.82 and falling due from that date to 31.12.83. Official support has come from the IMF in the form of a 15-month Standby Arrangement worth SDR 1.5 bn and a CFF for SDR 520 mn. These were approved at an Executive Board meeting on 24 January. As well as fulfilling normal performance criteria, drawings under the programme after end-July are subject to the removal of existing discriminatory restrictions (which in effect means the remaining restrictions against UK interests). A $500 mn BIS facility has been arranged but does not involve UK participation. Despite the rapid international response to Argentina's financial difficulties, there are widespread fears that the unstable domestic political situation will conspire to make the IMF programme unworkable and thus jeopardise further bank loan disbursements which are conditional on continued access to Fund resources.

2 Brazil

Total indebtedness at end-1982 was an estimated $81 bn. Following difficulties, particularly in October, in obtaining medium-term finance in the wake of the Mexican crisis, the authorities turned to official bodies, international organisations and banks for emergency loans to see them through the remainder of 1982.

Official support has included credits of $1.5 bn from the US Treasury; $1.2 bn (UK participation of $110 mn) from the BIS, supplemented by a parallel facility of $250 mn from the Saudi Arabian Monetary Agency (SAMA); and an SDR 500 mn CFF from the IMF. A request for an SDR 4.2 bn 3-year EFF should be approved by the IMF Executive Board by end-February. International banks, which had provided bridging finance totalling $2 bn, were approached on 20 December for a four-project package consisting of: (1) $4.4 bn in new money (for the whole of 1983); (2) the rescheduling of 1983 maturities (both public and private sector) to an amount put by the Brazilians at $4.0 bn; and the restoration of (3) trade-related credit lines and (4) interbank facilities to the higher of their exposure to Brazil at 30. 6.82 or 31.12.82. Whilst projects 1 and 2 have received a good response from banks (commitments respectively of $4¼ bn and, according to the Brazilians, $4.3 bn), the restoration of credit lines has been more difficult. There are also fears that the Brazilian forecast of a trade surplus of $6 bn is over-optimistic and as a result banks could well be approached for further financing later in the year.

3 Chile

Total indebtedness at end-1982 was an estimated $18 bn (two-thirds private sector). The economy is deep in recession (real GDP fell by 13% last year). Reserves have fallen sharply from $3.3 bn at end-1981 to $1.9 bn at the end of last year, largely as a result of the difficult conditions in the euromarkets and speculation against the peso. A two-year IMF Standby (SDR 500 mn) and a CFF (SDR 297 mn) were approved by the IMF Board on 10 January. However confidence in the country is low as a result of Chile's domestic financial crisis which came to a head on 13 January when the authorities announced the liquidation of two banks and a finance house and the "intervention" of a further five banks. After initial doubts as to their intentions the Chilean authorities have indicated that they would deal responsibly with the foreign liabilities of these institutions ($3.8 bn) - possibly in the context of the renegotiation of commercial banking debt which is currently being sought. This is likely to affect some $2.8 bn in maturities falling due this year and next. The question of new money from banks is also likely to be raised and initial meetings were being held in the week ending 28 January. With debt service amounting to $3.6 bn on medium and long-term public and private sector debt, and with an additional $4 bn in short-term debt to be rolled over, agreement with the bankers will need to be reached if Chile is to avert a wider rescheduling.

4 Mexico

Total indebtedness at end-1982 was an estimated $83 bn. Concerted international co-operation in helping to resolve the country's external financial difficulties and early indications of the willingness of the new administration, which took office on 1 December 1982, to adopt sound economic adjustment measures facilitated IMF approval of a 3-year EFF and a first credit tranche drawing, totalling SDR 3.6 bn, on 23 December. With the aim of closing Mexico's financing gap in 1983, the IMF's Managing Director had earlier asked commercial banks to lend $5 bn in new money (over $4.7 bn had been committed by late January) and had also requested a total of $2 bn (over $1.8 bn committed) in official export credits from various governments (including the UK). Under the $925 mn BIS bridging facility (UK participation of $140 mn), which had been linked, inter alia, to progress on an IMF arrangement, all but $70 mn of the third (and final) tranche had been drawn by 20 January. Following an agreed extension for four months to 23 March 1982 of an original 90-day moratorium on public sector capital repayments due to banks, the authorities submitted formal rescheduling proposals to the Advisory Group of banks in early December. Under the proposals, principal payments on public sector debt outstanding at 23 August 1982 and falling due between then and end-1984 would be rescheduled over up to 8 years. Plans to reschedule private sector debt are expected to be announced shortly. Looking to the future, major uncertainties over the Mexican's ability to adhere to the IMF's tough programme targets are reinforced by the likelihood of a further reduction in the price of oil, which accounts for some 75% of the country's exports. Any serious under-performance in relation to the IMF programme would risk unwinding the current international financial rescue operation.

5 Venezuela

Total indebtedness at end-1982 was an estimated $28 bn. With oil accounting for 95% of exports and 60% of fiscal income the weakness in the oil market led to severe strains in Treasury finances last year. Together with the country's difficulties in the euromarkets this has led to sustained speculative pressure on the Bolivar and a sharp fall in reserves. Confidence in the country has also been badly shaken by the collapse of the Banco de los Trabajadores (the Trade Unions' bank) which was brought under the control of the government in late November. Venezuela is currently attempting to refinance \$2.4 bn of short-term debt maturing by end-March and intends to refinance a further \$3.5 bn by the end of this year (out of a total of \$8.7 bn). The programme started quite successfully in October but has run into difficulties following a series of late payments by some state agencies, in particular the development agency CVF (which has been declared in default). In view of the danger that the refinancing programme could collapse as a result the authorities have said they will ensure that the \$84 mn of CVF arrears will be settled. International reserves totalled around \$11 bn at end-1982, but foreign exchange reserves in the hands of the Central Bank were only some \$2.5 bn - leaving Venezuela insufficiently liquid to sustain heavy repayments as a result of refinancing shortfalls or to cope with further capital outflows without, for example, gold sales.

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Econ Pol

Commonwealth Information

NEWS RELEASE

24 January 1983

83/7

STUDY ON THE INTERNATIONAL FINANCIAL AND TRADING SYSTEM

The Commonwealth Secretary-General, Mr Shridath Ramphal, today announced the setting up of a Steering Group of nine eminent Commonwealth experts to guide the Secretariat in a study of the international trade and payments system, including the role of the international economic institutions.

The group, with Professor Gerald Helleiner of the University of Toronto as its chairman, will have its first meeting in London this week (27 - 29 January).

The Secretariat was asked to undertake the study by Commonwealth Finance Ministers at their meeting in London in August 1982.

At that time, Ministers expressed concern over the state of the world economy and the increasing strains in the international financial system. To avoid further deterioration and to institute a process of sustained recovery, they felt there was need for reform of the whole framework of international economic cooperation.

In pursuit of this reform and to forestall what he termed 'the emerging economic crisis', the Prime Minister of New Zealand, Mr Robert Muldoon, called for a new Bretton Woods type international conference. While his analysis and proposals received widespread support, the meeting felt that a prior need was a comprehensive examination of the international financial and trading system. They agreed, therefore, to a Nigerian proposal that the Commonwealth Secretariat should undertake a major study of the international trade and payments system, including the role of international institutions like the International Monetary Fund and the World Bank.

COMMONWEALTH
SECRETARIAT
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Subsequently, Commonwealth Heads of Government of the Asia/Pacific Region, at their meeting in Fiji in October 1982, welcomed the initiative and called for the examination to be comprehensive. More recently, there have been signs of still wider support for a review of the international financial and trading system, possibly including a conference - on the line of Bretton Woods.

The Steering Group has been appointed to bring to bear on the study professional competence and relevant experience of the highest level available in the Commonwealth. Besides Professor Helleiner, the Group includes Professor Conrad Blyth, Dr William Demas, Ambassador Kenneth Dadzie, Professor Stuart Harris, Dr Lal Jayawardena, Sir Jeremy Morse Mr I G Patel and Mr Harry Osha. Brief biographical notes on the members of the Group are attached.

Members will serve in their personal capacities and not as as representatives of their governments or institutions. In view of the importance of the study to the whole international community, the Steering Group is expected to consult a cross-section of leading personalities, both within and outside the Commonwealth.

The first meeting of the group will be held on 27 - 29 January 1983 in Marlborough House, London; further meetings will be arranged to allow the study to be completed in advance of the next Finance Ministers Meeting in September 1983.

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MEMBERS OF THE STEERING GROUP

Professor Gerald K Helleiner (Chairman)	Professor of Economics, University of Toronto; Vice Chairman, North-South Institute, Ottawa
Professor Conrad Blyth	Professor of Economics and Head of Economics Department, University of Auckland; formerly Senior Economist, Social Policy Division, OECD.
H E Mr Kenneth Dadzie	High Commissioner of Ghana to the United Kingdom; formerly Director-General for Development and International Economic Cooperation, United Nations.
Mr William Demas	President, Caribbean Development Bank, Barbados; Chairman, UN Committee for Development Planning; formerly Secretary-General, Commonwealth Caribbean Regional Secretariat.
Professor Stuart Harris	Director, Centre for Resources and Environmental Studies, Australian National University, Canberra.
H E Dr Lal Jayawardena	Ambassador Extraordinary, Ministry of External Affairs, Colombo; formerly Ambassador of Sri Lanka to Belgium, the Netherlands and Luxembourg and to the European Communities, and Secretary to the Treasury and to the Ministry of Finance, Sri Lanka.
Sir Jeremy Morse	Chairman, Llyods Bank Limited; Chairman, Committee of London Clearing Banks; formerly Chairman of the Deputies of the Committee of the Board of Governors of the IMF on Reform of the International Monetary System and Related Issues (the Committee of Twenty).
Mr Harry M Osha	Executive Chairman, Milestone Investment Services Limited; formerly Managing Director, Nigerian Industrial Development Bank Limited and Deputy Permanent Secretary, Federal Ministry of Finance, Nigeria.
Mr I G Patel	Director, Indian Institute of Management, University of Ahmedabad, India; formerly Governor of the Reserve Bank of India, Deputy Administrator UNDP, and Secretary to the Ministry of Finance, India.