

NOTE ON SDR ALLOCATION

In response to media reports that the Government of the FY Republic of Macedonia has agreed to borrow from the IMF, we would like to clarify the following:

- The government of the FY Republic of Macedonia has not requested financial support under an IMF stand-by arrangement or other IMF lending facility.
- However, Macedonia has approximately EUR 70 million in holding of IMF Special Drawing Rights (SDRs).
- The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. With new SDR allocations that took effect in 2009, the total amount of SDRs globally is SDR 204.1 billion (equivalent to about \$ 310 billion). For more information on the SDR, see <http://www.imf.org/external/np/exr/facts/sdr.htm>
- Macedonia has the right to request conversion of its SDR holdings into Euro or other hard currencies and to use these holdings freely, without conditionality and without a stand-by arrangement or other Fund arrangement.
- The interest rate paid on SDR is based on a weighted average of interest rates on short-term debt in the money markets of the SDR basket currencies (US dollar, Euro, GB pound and Japanese yen). It is a variable rate which is determined weekly, and currently (July 12-18, 2010) is 0.31 percent.