



International Monetary Fund

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In reaction to newspaper articles in the Macedonian press, we would like to clarify the following:

The IMF has held preliminary discussions with the Macedonian authorities about a Precautionary Credit Line (PCL). A PCL agreement would be based solely on Macedonia's economic policies. There is no link between a possible PCL and any political or foreign policy issues. Any such links would be inconsistent with the mandate of the IMF as explained further below.

About the IMF

The International Monetary Fund (IMF) is an organization of 187 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Our mandate is macroeconomic surveillance, lending to countries, and providing technical assistance. Our focus is on economic issues.

For further details on our work, see: <http://www.imf.org/external/about/ourwork.htm>

About discussions between the Macedonian authorities and IMF Staff

- At the IMF-World Bank Annual Meetings, which took place from October 8-11, the Macedonian delegation, led by Minister of Finance and Deputy Prime Minister Zoran Stavreski, and the IMF staff team, led by Wes McGrew, have held preliminary discussions on the new IMF facility called the Precautionary Credit line (PCL) which might be beneficial for Macedonia.

- The PCL is designed for countries that have strong economic fundamentals and policies, and that do not have a current need to borrow from the IMF.
- The PCL provides a credit line of up to 500 percent of quota for the first year (almost € 400 million in the case of Macedonia).
- By providing Macedonia the right to draw on the credit line, the PCL would provide insurance against adverse external developments that could spill over to Macedonia and create the need for financial support.
- IMF staff is looking forward to further technical discussions on a PCL for Macedonia.

For further background information on the PCL, please see:

- Factsheet on the PCL: <http://www.imf.org/external/np/exr/facts/pcl.htm>
- IMF Board Paper: <http://www.imf.org/external/np/pp/eng/2010/082510.pdf>