THE IMF's ROLE IN THE BALANCE OF PAYMENTS PROBLEMS OF NON-OIL DEVELOPING COUNTRIES

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CONTENTS

I. IMF Response and Financing Role

1. The IMF's response to developments in the balance of payments of 'non-oil developing countries'(1) after 1973-74 has been largely ad hoc in nature. Temporary 'oil facilities' were established in 1974 and 1975 under which the Fund borrowed and recycled some SDR 6.9 billion(2). An Extended Fund Facility (EFF) was also created in 1974 to assist countries to overcome structural balance of payments maladjustments and at the end of 1975 the Compensatory Financing Facility (CFF) was liberalised. Also, as part of the Jamaica package in early 1976, credit tranches were temporarily widened until the coming into force of quotas under the Sixth General Review in April 1978. In addition, a Trust Fund, which is administered by the Fund but is not a part of the Fund's regular resources, was created to provide highly concessional assistance to low-income countries for the period 1976-80 from the profits of sales of IMF gold. The Supplementary Financing Facility (SFF) (initially for two years) came into effect in February 1979 and permitted substantial additional access in conjunction with the use of the Fund's resources in credit tranches and/or extended arrangements. Also during 1979, the CFF was further liberalised to permit enlarged access. During the period since 1973-74, two quota reviews took place. Under the Sixth Review, overall Fund quotas increased from SDR 29 billion to SDR 39 billion while under the Seventh Review (likely to come into effect at the end of 1980) quotas will increase to about SDR 59 billion.

2. Thus, whereas at the end of 1973 the theoretical maximum access to the Fund by a country was 225 per cent of quotas, by the end of 1979 the figure had increased to 480 per cent. When considering quota increases (for non-oil developing countries from SDR 6.7 billion at end-1973 to SDR 8.8 billion at end-1979 and SDR 13 billion at end-1980), availability from the the Fund appears to have increased substantially (see Table 1).

3. Table 2 shows current account deficits and 'autonomous transactions deficits'(3) and gross and net drawings from the IMF during the three years prior to the first oil crisis and subsequently. In the three years 1971-73 cumulative IMF net drawings were SDR 0.4 billion, representing some 1 per cent and 13 percent respectively of current account and autonomous deficits. During 1974-76 cumulative current deficits almost tripled, while autonomous deficits rose ten times. Although net drawings from the IMF increased thirteen times, this support still represented a relatively small share - 6 per cent and 17 per cent respectively - of current and autonomous deficits. During 1977-79 the Fund made a negative contribution, with repurchases exceeding drawings by as much as SDR 0.7 billion(4).

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1. The definition of 'non-oil developing countries' used in this note is the one employed by the IMF in its International Financial Statistics prior to March 1980 when the definition was amended to include seven countries previously classified as more developed primary producing countries.
2. SDR 2.5 billion to 'non-oil developing countries'.
3. Those deficits for which countries had to look for finance - these were defined as current account deficits net of long-term official flows and direct foreign investment.
4. However, the Trust Fund has provided almost SDR 1.5 billion to low income countries since 1976. Also, SDR allocations of SDR 1.5 billion were made to non-oil developing countries in 1979.

4. Most of the IMF assistance provided in 1974 and 1975 came from the temporary 'oil facilities' and in 1976 from the liberalised CFF (Table 3). This in many cases was largely supplemented by the use of the reserve or the first credit tranches. That very little use was made of other facilities can be seen from the fact that out of 90 non-oil developing country members of the Fund, only three had higher tranche drawings and two extended facility drawings outstanding at the end of 1976 (Table 4). During 1977-79, given the limited availability of other facilities, it would have been reasonable to expect that facilities which were under-utilised before would be resorted to(1). Yet at the end of 1979 only 13 countries had outstanding drawings under higher tranches and seven under extended arrangements.

5. The constraints (all interdependent) on the use of the Fund's resources have time and again been spelt out by developing countries. On the facilities they have been reluctant to use, the problems are as follows: that the resources available from the Fund are small in relation to the size of their balance of payments problems and that conditionality attached to the use of these resources is harsh. Since the 1973-74 oil crisis, two other specific problems have emerged. First, given the nature of their balance of payments problems, adjustment is required to take place in too short a period of time; and secondly, sufficient attention is not paid towards promoting structural adjustment in developing countries so as to minimise disruptive effects on their development programmes. Sections II-IV below deal with some of these issues. Section V deals with the CFF, which countries have been willing to use and where quota ceilings rather than conditionality is the effective constraint.

6. A more fundamental issue concerns the asymmetry of the adjustment mechanism which imposes the entire burden of the adjustment on deficit countries. The question of the IMF's role with regard to surplus countries is considered in Section VI below. Now that the Brandt Commission has completed its work and published its report, Section VII summarises those of its main recommendations which are directly relevant to the subject matter of this note.

II. Size of Available Resources

7. Table 5 shows the relationship between the size of the non-oil developing countries' current account deficits and that of the total theoretical maximum drawings from the Fund, based on their quotas. The theoretical maximum drawings are not intended to infer that these amounts would actually be available to finance the deficits, given that the Fund's resources are of a revolving nature and that annual availability is governed by its operational policy considerations. Yet when compared over a period with current account deficits, they illustrate the Fund's reduced ability to provide support in relation to the size of the deficits. For example, whereas at the end of 1973 the theoretical maximum availability was such as to finance nearly nineteen months of '1973 annual deficits', by the end of 1976 it had been reduced to less than a year's '1976 deficits'. When maximum availability under low conditionality facilities - reserve tranche, first credit tranche and compensatory facilities - alone are considered in relation to the current deficit, they show a dramatic decline. At the end of 1973 they could have covered 70 per cent of the 1973 deficits; at the end of 1979 they could cover only 40 per cent of that year's deficits.

8. Despite this reduced ability to provide financial support, it has been argued that the Fund's assistance provides a seal of approval of the soundness of a country's policies which greatly facilitates access to resources from the private market and also official aid. However, difficulties in relying on the private market are well known; it cannot be considered a certain source of finance because capital market conditions are subject to large and rapid

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changes(1) and because not all countries can be sure at any given time that they will have access to such markets (2). Indeed, commenting early in 1980 on the prospects ahead, the Managing Director of the Fund, Mr. Larosiere, admitted, "If we do not pursue imaginative solutions at the level of the monetary system itself, we shall fail individual countries which are making efforts to adjust, because resources will not be channelled to them in sufficient quantities and in realistic terms. The present financial system may need to be complemented by new arrangements".(3)

9. The question naturally arises as to what the Fund itself could do to ensure that countries do not face the difficulties raised by the Managing Director. The Executive Directors of the Fund can now relax or waive the present limits on the amounts available in circumstances where financing needs are large in relation to quotas. Evidence in recent months seems to suggest that the Fund has already been moving in this direction. However, greater use can be made of this procedure, particularly when even with the SFF such limits would not be appropriate.

10. One possibility for increased access to the Fund is the reactivation of the 'oil facility' as a permanent facility to deal with recurring oil crises. Another possibility is substantial additional contributions to the SFF by the principal surplus countries and making the facility permanent following the two-year initial period. However, given that the use of the SFF is largely linked to high conditionality facilities, it remains doubtful whether it could be of immediate use. Also, both the 'oil facility' and the SFF are dependent on voluntary contributions and thus on the willingness of lenders to contribute to them. One wide-ranging proposal - the establishment of a medium-term facility - concerns the raising of resources in the capital markets along the lines followed by the World Bank.(4) A further possibility suggested by the Brandt Commission is that the IMF could expand its resources by borrowing in the markets, using its gold (amounting to 100 million ounces) as collateral.

11. The above approach is based on the establishment of special facilities with separate funding arrangements. The Fund has concentrated on this approach because of the limits on its regular resources which are based on the overall size of its quotas. Over the next few years, an important

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1. The very high present level of private international credit to developing countries is a result of an excess supply of funds. Should this supply fall or demand for industrialised country borrowers increase, then developing countries and, particularly, marginal borrowers may be squeezed out of the market.
2. Seven countries accounted for 70 per cent of the total net debt of non-oil developing countries to multinational banks at the end of 1977.
3. Managing Director's address to African Centre for Monetary Studies, reproduced in IMF Survey, 21 January 1980.
4. UNCTAD/UNDP Project INT/75/105, Balance of Payments Adjustment Process in Developing Countries, Report to the Group of Twenty-four. Several other proposals on recycling have also been made. These are surveyed in UNDP/UNCTAD Project INT/75/015, A Survey of some Recent Proposals for New International Facilities, Report to the Group of of Twenty-four.

question that needs attention concerns the optimum size of the Fund, and thus of its regular resources. Compared to the early 1950s and the early 1960s, the size of quotas in relation to world imports has been reduced by half. Also attention needs to be focused on the way individual country quotas are determined. Non-oil developing country quotas are relatively small compared with the overall size of the Fund, and this is largely a result of the criteria chosen to determine individual country quotas.

III. Conditionality

12. IMF conditionality attached to its balance of payments assistance is linked to the adoption by countries of what the Fund calls "adjustment policies" which are expected to lead rapidly towards restoring balance of payments equilibrium. Details of conditionality under the various facilities of the Fund are shown in Table 1. Much of the discussion of Fund conditionality relates to the higher credit tranches and the extended facility.

13. The main criticism of conditionality relate to the content of the programme, which is sometimes inconsistent with the cause and nature of the country's particular problems. A recent UNCTAD/UNDP study (1) has provided an elaborate critique on Fund conditionality. These criticisms relate to the diagnosis of the sources of balance of payments difficulties, targets set for the programme and instruments used to achieve the targets. As for diagnosis, the Fund has become a leading exponent of the "monetary approach" to solving balance of payments difficulties(2), although it is aware of the many legitimate questions that may be raised concerning the methodology employed and has suggested that the "monetary approach" needs blending with other lines of analysis.(3) Also, the question arises whether performance criteria, such as ceilings on domestic credit expansion, that lend themselves to automatic application without further judgement, can in fact provide a valid test of economic performance. Furthermore, these performance criteria determine the character of the adjustment to be undertaken and usually imply global fiscal/monetary restraint regardless of the source of balance of payments difficulties.

14. In particular the UNCTAD/UNDP study points out that the diagnosis should be capable of distinguishing between those situations of excess demand where deflationary policies have a central role and others that do not lend themselves to treatment by generalised deflation. Thus, in situations characterised by cost and price spirals, as the Fund has already recognised by the creation of the EFF, normal application of deflationary measures would be disruptive and would create a conflict between the objectives of external

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1. UNCTAD/UNDP Project, op. cit.
2. Some of the concepts and basic models employed have been analysed in a collection of essays published by the Fund under the title The Monetary Approach to Balance of Payments, as well as in the Fund's voluminous Staff Papers.
3. Carl P. Blackwell, Reflections on the Monetary Approach to Balance of Payments, IMF Survey, 20 February and 6 March 1978.

balance and domestic development. Similarly, deficits that are the counterpart of the structural surpluses in surplus countries would not be capable of reduction by generalised deflationary policies in deficit countries. On this issue, the Brandt Commission's Report notes that "in many cases these [deflationary] measures reduce domestic consumption without improving investment; productive capacity sometimes falls even more sharply than consumption. This is because many developing countries with deficits have a shortage of food or of basic consumer goods or cannot readily shift resources in line with their new needs. Indeed, the Fund's insistence on drastic measures, often within the time framework of only one year, has tended to impose unnecessary and unacceptable political burdens on the poorest, on occasion leading to 'IMF riots' and even the downfall of governments".(1)

15. The UNCTAD/UNDP study has suggested that the Fund should consider all the alternative policy approaches so as to reduce the cost of adjustment. In this connection it points out that restrictions on trade and exchange - either applied exclusively or combined with reductions in aggregate demand - are rarely accepted by the Fund, because of its commitment to the liberalisation of trade. With the new wave of protectionism that has spread among the industrialised countries this commitment has less relevance, particularly when it could be demonstrated that adoption of such policies could reduce the cost of balance of payments adjustment to the national economies. Also, alternative policy approaches should take into consideration their effect on income distribution. In the past, Fund adjustment policies have often had a negative effect on income distribution. It has been suggested that a new criterion might be added to the performance targets of IMF standby arrangements, in that income distribution should be required at least not to deteriorate.(2)

16. Recently, a new set of conditionality guidelines has been issued by the Fund with the express requirement that it should pay due regard to the domestic, social and political objectives and the economic priorities and circumstances of members. According to the Fund's Managing Director, this means that the Fund would now consider all the policy approaches available to a country in support of its adjustment needs and take account of the member's social and political constraints in agreeing to a programme; but it does not mean that the Fund's resources would be available in the event of reduced adjustment efforts which failed to address adequately a member's problems. Whether the recent changes would amount to a basic change in the Fund's operational policies is not yet known.

IV. Period of Adjustment

17. It can easily be agreed that a desirable rate of adjustment is one that minimizes the cost of output and growth potential forgone, including frictional costs of adjustment. The country studies, carried out as part of

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1. North-South: A Programme for Survival, page 216.
2. See Stephany Griffith Jones, International Monetary and Financial Issues and Developing Countries, with particular reference to UNCTAD V, forthcoming issue of the IDS Bulletin.

the UNCTAD/UNDP project referred to earlier, have shown that in the post-1973 period the costs of adjustment could have been substantially reduced if members had had access to larger external sources of financing over a longer period and on appropriate terms. The need for a longer adjustment period is particularly desirable where an economy suffers structural maladjustments. This was already recognised by the Fund in the two types of situation qualifying for extended facility financing: first, where the economy had suffered from serious imbalances over a number of years and cost and price distortions had become widespread, and secondly where countries had inherently weak balance of payments position (resulting from a very narrow productive base and high dependence on a few export commodities). It was recognised that while the latter situation called for long-term development assistance such as from the World Bank, there was also room for support from the Fund.

18. The 1973-74 oil crisis also created structural surpluses that could not be reduced by the actions of deficit countries alone. The rate of adjustment by these countries, whether or not they are suffering from structural maladjustments, is dependent on the rate of adjustment by surplus countries. Few can doubt that in the medium to long-term, oil prices will rise in real terms, and this is going to constitute a continuing problem for non-oil developing countries. The implications for these countries is a continuing need for finance over a relatively long period.

19. The Fund's awareness of the problem can be seen in the possibilities that now exist for standby/extended arrangements for up to three years. The IMF staff consider thare are practical difficulties in formulating adequate programmes for longer than three-year periods because of the greater risk of unforseen or exogenous factors rendering the programmes ineffective, although in appropriate circumstances, they suggest, an EFF programme could be followed by a two-year standby or a new EFF programme, thus providing financing over a five or six-year period. The essential point is that while continuing consultations with the Fund and revisions of annual programmes as and when necessary within a long-term framework would inevitably be among the critical elements in the operation of the EFF, a reasonable degree of assurance of continuing availability of finance on appropriate terms and for longer periods is crucial for the objectives which the EFF is intended to serve.(1) Indeed the principal aim of the medium-term facility proposed by UNCTAD is to provide support for periods of five to ten years on terms and conditions adjusted to the circumstances of borrowing countries and with interest subsidies for the poorest of them.

V. Compensation for Export Shortfalls

20. A more direct and immediate contribution to meeting the financing needs of balance of payments can be made by providing more adequate compensation for export shortfalls under the CFF. Recent liberalisation has raised ceilings on drawings to 100 per cent and enlarged coverage by the possibility of including some services in the calculation of shortfalls. Since June 1978,

1. In this connection, since the SFF is at present to be used in tandem with the EFF, making the SFF permanent and extending its repayment period to ten years is important if these objectives are to be realised.

CFF assistance has been supplemented in appropriate cases by the EFF or a standby arrangement or by programme loans from the World Bank group.

21. The important question in relation to the CFF is whether it should be modified to permit financing medium-term shortfalls. The apparent reluctance to incorporate these in the facility seems largely to be based on the view that shortfalls lasting several consecutive years, even if caused by forces beyond the control of the authorities, must be corrected through adjustment and that a high degree of conditionality should therefore be required. This raised an important question about the Fund's financing role. There are cases where shortfalls in exports could persist for more than two years because of temporary setbacks in demand (due, say, to cyclical recession in industrial countries). In such cases it may be desirable to finance the resultant deficits rather than adjust public spending targets or development plans and programmes. If this view is accepted, the technical difficulties of determining the amounts required for medium-term shortfalls could no doubt be overcome.(1)

22. At UNCTAD V, proposals were made by Sweden, Germany and the Group of 77 for establishing a financing facility complementary to the CFF which would provide additional compensation for commodity shortfalls after taking into account the amounts drawn under the CFF and STABEX. The Secretary-General of UNCTAD was requested to prepare a detailed study in consultation with the IMF, for the operation of such a facility.(2) Estimates by the Bank/ Fund staff have shown that such compensation would have been necessary during 1963-73 and between 1976-78 if a complementary facility had been in operation at the time. Although a majority of the IMF Executive Board have not yet accepted the need for such a facility, the proposals deserve to be kept under review because a complementary facility, if established, would provide an additional mechanism available to developing countries in temporary difficulties and would strengthen the Fund's role in meeting these difficulties.

23. A more fundamental question concerns the role of compensatory finance which has to date been a supplementary form of adjustment assistance and bridging finance.(3) What compensatory financing can stabilise in a developing economy is "import capacity"(4) rather than export earnings.

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1. For example, medium-term shortfalls could be compensated on the basis of three-year agreed targets for export earnings. This idea has been suggested in the past and is a variant of the old proposals for supplementary finance (not to be confused with the facility of the same name now in operation).
2. UNCTAD Resolution 125(v).
3. STABEX has a somewhat more developmental orientation but is too small to have a major macro-developmental impact even for most ACP members.
4. If the sustaining of import capacity was the principal objective of compensatory finance, the question of adjustment to oil prices would not pose a serious problem for most countries.

VI. Asymmetry of International Adjustment and IMF Surveillance

24. One of the basic issues concerning the problem of payments imbalances has been the asymmetry of international adjustment which leaves the entire burden of adjustment on the deficit countries. Although a fairly drastic remedy for persistent surpluses is provided in the IMF Articles of Agreement, in the form of a scarce currency clause involving discriminatory exchange and import restrictions against any scarce currency countries, the remedy has never been invoked for that very reason. This being the case, surplus countries have been under relatively little pressure to change the situation. Recently, the IMF's Articles have been amended to provide for surveillance over every member country's efforts to foster orderly underlying economic and financial conditions. This, at least in theory, provides valuable IMF leverage for promoting sound adjustment policies by all countries surplus or deficit, whether or not they draw on IMF resources. In practice, the IMF has little leverage to impose policies on surplus countries. These are not dependent on its funds; on the contrary, the IMF relies heavily on their financial support and they have important voting rights with the Fund. Since the main burden falls on deficit countries, this introduces a deflationary bias in the world as a whole and in particular within those countries that need Fund assistance.

VII. Brandt Commission's Recommendations

25. The Brandt Commission has devoted considerable attention to the role of the IMF in the adjustment process. Its main recommendations (pages 219-220) which have direct relevance to the subject under review are summarised below:

- There should be agreement on an adjustment process which will not increase contractionist pressures in the world economy. Surplus countries should accept greater responsibility for payments adjustments, and IMF measures to encourage this should be considered.

- The adjustment process of developing countries should be placed in the context of maintaining long-term economic and social development. The IMF should avoid inappropriate or excessive regulation of their economies, and should not impose highly deflationary measures as standard adjustment policy.

- The IMF should also improve and greatly extend the scope of its compensatory financing facility, for example, by relaxing quota limits, measuring shortfalls in real terms and making repayment terms more flexible.

- New SDRs should be created to the extent called for by the need for non-inflationary increases in world liquidity. The distribution of such unconditional liquidity should favour the developing countries which presently bear high adjustment burdens. Such a distribution - often referred to as an SDR link - would also assist the adjustment process of the international monetary system.

- In furthering the demonetization of gold, the bulk of the IMF gold stock should, after completion of the present sales arrangements, be used as collateral against which the IMF could borrow from the market for onward lending, particularly to middle-income developing countries. Staggered sales should also be undertaken and the accruing profits of such sales should be used as interest subsidy on loans to low-income developing countries.

Table 1

Financial Facilities of the Fund, their Conditionality and Possible Cumulative Purchases

(per cent of quotas, end of 1979)

	Possible cumulative purchases: Tranche policy	Possible cumulative purchases: Extended Facility
Tranche Policies		
Reserve tranche	25	25
Condition - balance of payments need.		
First credit tranche	25	25
Programme representing reasonable efforts to overcome balance of payments difficulties; performance criteria and instalments not used.		
Higher credit tranches	75a	-
Programme giving substantial justification of member's efforts to overcome balance of payments difficulties; resources normally provided in the form of stand-by arrangements which include performance criteria and drawings in instalments.		
Extended facility	-	140
Medium-term programme for up to three years to overcome structural balance of payments maladjustments; detailed statement of policies and measures for first and subsequent 12 month periods; resources provided in the form of extended arrangements which include performance criteria and drawings in instalments.		
Supplementary financing facility	102.5b	140
To be used in support of programme under stand-by arrangements reaching into the upper credit tranche or beyond, or under extended arrangements, subject to relevant policies on conditionality, phasing, and performance criteria.		
Compensatory financing facility	100	100
Existence of temporary export shortfall for reasons beyond the member's control; member cooperates with Fund in an effort to find appropriate solutions for any balance of payments difficulties.		
Buffer stock financing facility	50	50
Existence of an international buffer stock accepted as suitable by Fund; member expected to cooperate with Fund as in the case of compensatory financing.		
Cumulative total c	377.5	480

a This limit may be waived by a decision of the Executive Board.

b In special circumstances a stand-by arrangement may be approved for purchase beyond these limits and the normal limitations under tranche policy; in such cases purchases will be made with supplementary financing. The amount of such additional finance will be quantified in relation to a member's need and the adequacy of its programme.

c In addition, some members have used 'oil facility' drawings. The average use by these members was equal to 75 per cent of quota.

Source: IMF.

Table 2

Non-oil Developing Countries:
Current Account Deficits and IMF Drawings
(SDR billion a)

Year	Current account deficit b	Deficit/Surplus b net of long-term official flows and private direct investment	Gross drawings from IMF	Net drawings from IMF
1971	-11.4	- 3.6	0.4	0.1
1972	- 8.5	- 0.5	0.8	0.4
1973	- 9.5	1.4	0.3	-0.1
1974	-25.4	-10.5	1.7	1.3
1975	-31.5	-13.3	2.0	1.5
1976	-22.1	- 4.8	2.7	2.0
1977	-18.0	1.5	0.7	-0.3
1978	-25.5	- 4.7	1.0	-0.7
1979	-32.3	- 6.6	1.4	0.3

a $ equivalent of 1 SDR: $1.20248 for 1974, $1.21415 for 1975, $1.15452 for 1976, $1.16752 for 1977, $1.25200 for 1978 and $1.29200 for 1979.

b Deficit (-) Surplus (+).

Source: Commonwealth Secretariat, based on IMF data.

Table 3

Non-oil Developing Countries: IMF Drawings by Facility
(SDR million)

	1974	1975	1976	1977	1978	1979
GROSS DRAWINGS	1,700.7	1,958.9	2,749.0	725.0	1,029.2	1,390.4
Tranche a	829.0c	526.0c	705.1c	352.4	414.5	616.0
Compensatory Financing	107.2	150.8	1,453.8	163.8	404.4	392.2
Extended Facility	-	7.7	90.0	208.8	174.0	131.5
Buffer Stock	-	-	-	-	36.1	13.9
Oil Facility	764.5	1,274.4	500.1	-177.8	-612.5	-
Supplementary Facility	-	-	-	-	-	236.9
TOTAL REPAYMENTS	412.0	429.1	769.0	984.3	1,721.7	1,138.3
NET DRAWINGS b	1,288.7	1,529.8	1,980.0	-259.2	-692.7	252.1
Credit Tranche	264.1	81.7	56.5	-50.2	-163.1	243.6
Compensatory Financing	75.2	95.6	1,140.5	-22.9	66.6	4.8
Oil Facility	764.5	1,274.4	500.1	-177.8	-612.5	-397.7
Extended Facility	-	7.7	90.0	170.0	71.6	131.6
Supplementary Facility	-	-	-	-	-	236.9
MEMORANDUM ITEM						
Trust Fund Loans	-	-	-	150.4	690.6	526.6

a Comprising: Reserve Tranche and Credit Tranche.

b Net Drawings also include Reserve Tranche and Buffer Stock Facility.

c Tranche Drawings for 1974 to 1976 reached by substracting other drawings from Gross Drawings.

Source: Commonwealth Secretariat, based on IMF *International Financial Statistics*.

Table 4

Number of Non-oil Developing Countries with Drawings Outstanding in the IMF Facilities

(at end of year)

End of year	Number of members	Number of members having drawings outstanding under					
		Reserve Tranche	First Credit Tranche	Higher Credit Tranche	Extended Facility	Oil Facility	Compensatory Facility
1975	85	60	24	5	1	38	17
1976	90	67	28	3	2	44	40
1977	93	69	28	6	3	42	47
1978	99	89	28	12	4	37	45
1979	101	87	36	13 a	7 a	37	48

a Of these, some countries also had drawings outstanding under the Supplementary Financing Facility, two under Credit Tranches and three under the Extended Facility.
Source: Commonwealth Secretariat, based on IMF International Financial Statistics.

Table 5

Non-oil Developing Countries: Current Account Deficits and Theoretical Maximum Availability from the IMF

(SDR billion)

End of year	Current Account Deficits	Quotas	Total Theoretical Maximum Availability a	Theoretical Maximum Availability with Low Conditionality Facilities b
1973	9.5	6.7	15.0	6.7
1976	22.3	6.7	21.6	9.1
1979	32.3	8.8	42.1	13.1

a Maximum possible cumulative drawings that could be outstanding under all IMF facilities at the end of each year.
b Maximum possible cumulative drawings that could be outstanding under reserve tranche, first credit tranche and compensatory financing facility.

Source: Commonwealth Secretariat, based on IMF data.