

Coop Bank

J. Butlers 23/3/78

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- US exchange is fixed to the Guyana Dollar by the central bank of Guyana
  - we are tied to the US dollar so it doesn't fluctuate, the parity rate between the Guyana money and US dollar
  - if Guyana devaluates, there is no account where you can keep the rate before devaluation
  - securities: situation not too stable, most dealings in foreign currency/ has to be done with the express permission from Guyana Bank
  - can buy govt. securities/ pay 5.8% - they run from five years upward
  - account that can be ~~for~~ frozen/fixed deposit account pays 5 1/2 % for 1 year (3 mos. pay 4%, 6 mos ???) but it still is affected by devaluation
  - convert Guyanese money to US dollars for a sale/ ~~a~~ external account/ don't have to get exchange control permission
  - can transfer funds from an external account to buy something abroad / but have to declare it
  - in the past they would hold foreign money for you (used to be tied to the British Sterling, the Guyana dollar) and people would cash in on this by holding money until it went up in value, but they don't want people speculating like this now
  - 2-3 years ago the British pound fell and then the Guyana dollar was tied to US
  - no room for speculation anymore/ you can't even send \$50 out without ~~the~~ permission of the Guyanese Bank
  - have to have express permission to transfer external bank abroad/ and then can't put Guyanese money in that kind of account
  - Exchange Control Dept Guyana Bank: Mr. Pat Moore and Mr. Frazer
  - Exchange Control Regulations change very frequently, hard to keep up with them
  - IMF: not likely to alter the money situation/ he thinks IMF would keep the present rate to keep funds in
  - re IMF conditions to satisfy, redeployment (they ~~want~~ want full use of skills)
  - the reason for devaluation is to increase production but Guyana's production is falling in sugar, bauxite, rice so there wouldn't be any ~~benefit~~ benefit by devaluation
- JAMAICA: we talked about IMF making them devaluate
- he said that Jamaica had an increase in production and might be exporting more
  - decrease of imports (that is the goal of IMF)
  - devaluation

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