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**Press release**

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## Balance of payments aid to Brazil: Switzerland agrees to activation of New Arrangements to Borrow

The Swiss National Bank, in agreement with the Federal Department of Finance, has given its approval to an activation of the New Arrangements to Borrow (NAB) in favour of Brazil to the amount of 9,117.4 million Special Drawing Rights (approx. Sfr 17.5 billion). The National Bank's share will amount to 455 million SDRs (approx. Sfr 880 million) in the form of a credit to the International Monetary Fund (IMF). Since a number of NAB members are currently unable to make a contribution, the proportion to be provided by the remaining members has increased correspondingly - from 4.6 percent to 4.99 percent in the case of the National Bank.

This is the first time that the New Arrangements to Borrow of the IMF have been activated. The NAB constitute parallel agreements to the General Arrangements to Borrow (GAB). They entered into force on 17 November 1998 after having been signed by the 25 participating countries. By this agreement, the participants undertake to grant the IMF credits in exceptional circumstances and in the event of a shortage of funds according to a distribution key laid down in advance. Under the GAB and the NAB the IMF can borrow up to 34 billion SDRS. That is double the amount previously available under the GAB alone. The Federal Parliament already passed a decision on Switzerland's accession to the NAB a year ago.

Swiss National Bank