Press release: renewal of the Flexible Credit Line for Colombia

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Today the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Colombia. Afterward, an informal meeting was held to discuss the country's Flexible Credit Line (FCL). At the end of the meeting, Kristalina Georgieva, IMF Managing Director, issued a statement recommending to the IMF Executive Board to approve the FCL for Colombia in response to its request to renew the arrangement at the current amount of SDR 7,848 million (384% of Colombia's quota), equivalent to about USD 10,800 million.

The Flexible Credit Line is an instrument created by the IMF, accessible only by countries with very strong economic policy frameworks. The FCL guarantees unconditional and immediate availability of resources in the face of adverse shocks in the external sector that cause pressures on the country's balance of payments. The recommendation by the Managing Director constitutes recognition that Colombia maintains a very strong economic policy framework and a prudent management of the economy and, consequently, that it can keep access to the instrument.

Banco de la República and the Ministry of Finance and Public Credit are grateful for the statement by the Managing Director and her recommendation to approve a renewal of Colombia's FCL. A renewal of this arrangement complements external liquidity buffers and maintains agents' confidence in the Colombian economy, allowing the country to access international financial markets under favorable conditions. The renewal of the FCL arrangement with Colombia could be ratified at a subsequent meeting of the IMF Executive Board. The authorities continue to treat the FCL as a precautionary instrument, available to face critical situations in the balance of payments of the country.

The complete press release is available at:

https://www.imf.org/en/News/Articles/2020/04/09/pr20142-colombia-imf-executive-board-receives-request-for-2020-flexible-credit-line-arrangement

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