



PRESS RELEASE

At the occasion of their monthly Tour d'Horizon held on July 10th, 2003, Paris Club creditors reviewed Iraq's situation towards them.

They took note of the evolution of Iraq's external situation in the context of the approval of resolution 1483 by the Security Council of the United Nations. In this respect, they fully agreed on "the desirability of prompt completion of restructuring of Iraq's debt" and they confirmed the readiness of the Paris Club to play its role in this matter.

They considered the results of their collection of data on Iraq's debt. According to their preliminary estimates, the total public debt of Iraq vis-a-vis Paris Club creditors (including Brazil and Korea) amounts to 21,018 million dollars, almost exclusively in arrears. All this debt results from credits contracted before August 2nd, 1990. This total amount takes into account for Russian claims the adjustment on Soviet era claims consistent with Paris Club methodology.

The attached table provides detailed information for each creditor excluding late interest. Late interest, in principle calculated on the basis of the rates set in the original contracts, is currently estimated at an amount similar to the principal outstanding. According to Paris Club standard methodology, these various data will have to be reconciled with Iraqi authorities prior to any negotiation.

Paris Club creditors reviewed the current efforts of the International Financial Institutions to assess Iraq's economic and financial situation. They welcomed the IMF effort in collecting data from Iraq's non Paris Club creditors and stressed that the inter-creditor coordination would be key to an orderly restructuring process.

They share the view that they don't expect Iraq to be in a position to resume payments to them before end 2004.

The Paris Club of creditors countries was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It holds negotiations with debtor countries to find coordinated and sustainable solutions to their payment difficulties and to agree on specific terms of restructuring of their debts. It also meets for a monthly "Tour d'Horizon" to overview pending issues concerning debtor countries.

<http://www.clubdeparis.org/>

OUTSTANDING AMOUNTS DUE BY IRAQ TOWARDS CREDITORS COUNTRIES (in principal)

Amounts due as at January 1, 2003 (in MUS\$ excluding late interest) (1)

CREDITOR COUNTRIES	
AUSTRALIA	499,3
AUSTRIA	813,1
BELGIUM	184,5
BRAZIL (3)	192,9
CANADA	564,2
DENMARK	30,8
FINLAND	152,2
FRANCE	2 993,7
GERMANY	2 403,9
ITALY	1 726,0
JAPAN	4 108,6
THE NETHERLANDS	96,7
THE REPUBLIC OF KOREA (3)	54,7
THE RUSSIAN FEDERATION (2)	3,450,0
SPAIN	321,2
SWEDEN	185,8
SWITZERLAND	117,5
THE UNITED KINGDOM	930,8
THE UNITED STATES	2,192,0
TOTAL	21 017,9

(1) Definition of debt concerned: the figures cover, from the debtor side, the amounts due by the public sector. From the creditors point of view, the figures include credits and loans granted, or guaranteed by, the Governments or their appropriate institutions.

Basically, private claims (debt owed to private creditors) as well as private debt (owed by private Iraqi institutions without public guarantee) are excluded from this recollection.

(2) Russian claims: this figure represents the amounts due to Russia after a simulation of the adjustment on Soviet era claims consistent with Paris Club methodology.

(3) These creditors have been regularly invited by Paris Club permanent members to join their discussions on Iraq.