

24 January 2007



PRESS RELEASE

**PARIS CLUB AGREES ON MACEDONIA'S OFFER
TO PREPAY UP TO US\$ 104 MILLION OF ITS DEBT**

The representatives of the Paris Club creditor countries and of the Government of Macedonia met in Paris on 24 January 2007 to examine the offer made by the Government of Macedonia to prepay its debts previously rescheduled in 1995. This offer reflects the strong financial recovery of Macedonia in recent years.

The principle of a prepayment at par as proposed to all Paris Club members was accepted. The prepayment operations will take place, on a voluntary basis, between 31 January 2007 and 30 April 2007, after conclusion of bilateral implementation agreements by participating creditors.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which are creditors of Macedonia are Austria, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. In addition, Kuwait which is a significant creditor of Macedonia and which took part in the 1995 Paris Club rescheduling was associated with the negotiation.

3. The delegation of Macedonia was headed by Mr Trajko SLAVESKI, Minister of Finance. The meeting was chaired by Mr Ambroise FAYOLLE, Co-Chairman of the Paris Club.

Technical note

The debt owed to Paris Club and associated creditors eligible for the prepayment operations amounts to US\$ 104 million (after payment of the 31 January 2007 instalments) to be paid up to 2011 according to the 1995 Paris Club rescheduling agreement.