



PRESS RELEASE OF THE PARIS CLUB AND THE IIF

MEETING OF THE PARIS CLUB WITH REPRESENTATIVES OF NON PARIS CLUB BILATERAL CREDITORS AND REPRESENTATIVES OF THE PRIVATE SECTOR

Paris, October 22, 2013 – The Paris Club and the Institute of International Finance jointly organized for the 13th consecutive year a meeting between Paris Club creditors, representatives of Paris Club associated members and of private creditors. IMF and World Bank representatives also attended the meeting.

Official creditors and private sector representatives discussed several current global finance issues.

First, creditors discussed the changing landscape of capital flows in low income countries and the potential associated challenges.

Second, creditors discussed the most recent restructuring activities of the Paris Club, with an emphasis on Myanmar and on the drawing to a close of the HIPC Initiative. Participants later exchanged views on the evolving situation in Grenada, Sudan and Zimbabwe. Participants also reviewed briefly the ongoing litigation against Argentina by holdout creditors before US courts and exchanged views on the broader potential implications for future debt restructuring.

Third, the Chairman of the Paris Club recalled the Club's unique experience and track record of 429 successful negotiations with 90 countries since 1956, and presented a forward-looking vision of the group of creditors, including its pivotal role in the changing landscape of global finance. Participants welcomed the Paris Club's views as a key contribution to the evolving debate on the recent experience with sovereign debt restructurings.

Fourth, official and private creditors and other private sector representatives discussed the existing framework for sovereign debt crisis prevention and resolution, with an emphasis on the evolving private sector sovereign risk management techniques, and the key features of recent sovereign debt restructurings. In this regard, private creditors highlighted the ongoing work to strengthen the contractual, market-based approach to sovereign debt restructuring, mainly through more robust aggregation clauses, with a view to facilitate high creditor participation, while respecting creditor property rights.

Finally, participants engaged in a more in-depth discussion of sovereign debt restructuring issues, including a presentation by IMF staff, followed by a discussion, of the key findings and suggestions for possible improvements in the existing modalities for such restructurings and in the IMF policy and legal framework for these issues, highlighted in a recent IMF Staff Report.