

June 15, 2005



PRESS-RELEASE

PARIS CLUB MEETING WITH REPRESENTATIVES OF THE PRIVATE SECTOR

On June 15, 2005, the Paris Club invited representatives of the private sector to meet in Paris for an exchange of views. Around thirty market participant representatives from the buy side, sell side, traders, advisors, bondholders, and the heads of delegations of the member countries of the Paris Club participated in the meeting chaired by Jean-Pierre Jouyet, Chairman of the Paris Club.

It was the fifth meeting of this kind since 2001, in support of the efforts of Paris Club creditors to increase transparency in particular towards the private sector. The agenda was focused on country cases and general issues related to *Principles for Stable Capital Flows and Fair Debt Restructuring in Emerging Markets* and the framework for prepayments and buybacks of Paris Club claims.

After a general presentation of the 2004-2005 activity, the first part of the meeting was devoted to a presentation by private sector representatives of the *Principles for Stable Capital Flows and Fair Debt Restructuring in Emerging Markets* supported by Institute of International Finance and major emerging issuers.

The second part of the meeting was dedicated to country cases. Paris Club creditors explained their November 2004 agreement with Iraq and what they were expecting from private creditors in terms of comparability of treatment. The participants also had an exchange of views on expected negotiations with the London Club. On Argentina, private sector representatives and Paris Club creditors debated on the recent bond exchange operation conducted by Argentina and its wider implications. This debate enabled both parties to better understand the positions of the different stakeholders involved in the process and to draw lessons from the bondholders debt restructuring.

The third part of the meeting aimed at addressing the perspectives of Paris Club activity for the upcoming months. Exchange of views took place on prepayment operations recently conducted by Paris Club creditors (Russia, Poland) or that may possibly be negotiated in a near future (Peru). Moreover, Paris Club creditors detailed their new methodology for buyback operations. Finally, Paris Club creditors took note of the recent bond exchange operation with the Dominican Republic, and gave preliminary views on a possible agreement with this country in months to come.

All participants noted their satisfaction on the fruitful exchange of information and views during this meeting, and agreed that this type of discussions was useful and that the meeting should go on being held in the future on a yearly basis. Presentations made by the Secretariat, the Institute of International Finance and the London Club Coordinating Group can be consulted by clicking on the following link.