

**GROUP OF CREDITOR  
COUNTRIES OF THE FORMER  
SOVIET UNION**

PRESS RELEASE

**THE GROUP OF CREDITOR COUNTRIES AGREES ON A  
COMPREHENSIVE TREATMENT OF RUSSIA'S EXTERNAL DEBT**

1. The Group of Creditor Countries of the former Soviet Union met in Paris on April 25 to 29, 1996 with the representatives of the Government of the Russian Federation. This meeting concluded the negotiating process initiated in November 1995.

The Group of Creditor Countries agreed with the Government of Russia on a comprehensive rescheduling.

The delegation of the Russian Federation expressed its thanks to the Creditor Countries.

2. The Russian delegation described the economic and financial difficulties faced by its country and its strong determination to reduce the economic and financial imbalances and to attain the objectives of the program supported by the extended arrangement with the International Monetary Fund approved by the Executive Board of the International Monetary Fund on March 26, 1996.

The Group of Creditor Countries noted the measures of adjustment in the economic and financial program undertaken by the Government of the Russian Federation and they stressed the importance they attach to the continued and full implementation of this program.

3. The representatives of the Group of Creditor Countries agreed to recommend to their respective Governments a substantial reorganization of the external obligations of the Russian Federation providing for a comprehensive rescheduling of the debts owed to the Creditor Countries contracted or guaranteed on behalf of the Government of the Former Soviet Union for which the Government of the Russian Federation has agreed to be responsible, with the aim of supporting Russia's macro-economic stabilization, avoiding the need for further rescheduling and contributing to Russia's effort to regain access to the international capital markets.

4. This agreement represents financial support by the Creditor Countries to Russia's economic reform policies amounting to over US\$ 40 billion which will be repaid over a period of up to 25 years.

The Group of Creditor Countries consider that given the economic situation of the Russian Federation, the Government of the Russian Federation will be able to fully service its debt to the Participating Creditor Countries with no further treatment to be applied after the terms set forth herewith are implemented.

This agreement is in size the largest of all agreements previously negotiated by the Paris Club Creditor countries in its 40 years history.

**Background notes**

1. The Group of the Creditor Countries is formed by representatives of the Governments of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

2. Observers of the International Monetary Fund attended the negotiations.

3. The delegation of the Russian Federation was headed by Mr Oleg DAVYDOV, Vice Prime-Minister of the Russian Federation aided by Mr Mikhail KASYANOV, Vice-Minister of Finance.

4. The meeting was chaired by Mr Christian NOYER, Chairman of the Paris Club and Chief of Staff of the French Minister of Economy and Finance.