



PRESS RELEASE

THE PARIS CLUB AGREES TO CANCEL 100% OF NIGER'S DEBT

1. The representatives of the Paris Club creditor countries met on May 12, 2004 and agreed to recommend to their Governments a cancellation of Niger's stock of debt.

The representatives of the creditor countries took note that, given its strong commitment to economic and structural reforms as well as the burden of its external indebtedness, Niger had reached on April 8, 2004 its completion point under the enhanced Debt Initiative for the Heavily Indebted Poor Countries (Enhanced HIPC Initiative).

They welcomed Niger's determination to implement a broad-based and rigorous economic program which should provide the basis for sustainable economic growth and a comprehensive poverty reduction strategy.

2. They decided to cancel US\$ 104 million in net present value terms which represents the Paris Club agreed share of the effort, decided by the IMF and the IDA, in the framework of the Enhanced HIPC Initiative.

The debt of Niger towards Paris Club creditors will be further reduced of US\$ 48 million in net present value terms as a result of additional debt relief granted by creditors on a bilateral basis.

After additional bilateral cancellation, the entire debt of Niger towards Paris Club Creditors will be cancelled.

3. Niger is committed to devote the resources freed by the present treatment of the debt to priority areas identified in the country's poverty reduction strategy and to seek comparable treatment from all its other external creditors (including other creditor countries as well as commercial creditors). Paris Club Creditors emphasized the importance they attach to non-Paris Club creditors providing a treatment at least as favourable to Niger.

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 participated in the reorganization of Niger's debt were representatives of the governments of France, Japan, Spain, the United Kingdom and the United States of America.

Observers at the meeting were representatives of the governments of Austria, Belgium, Denmark, Germany, Italy, the Netherlands, the Russian Federation as well as the IMF, the International Development Association (IDA), the African Development Bank and the Secretariat of the UNCTAD.

The delegation of Niger was headed by Mr. Ali M. LAMINE ZEINE, Minister of Economy and Finance. The meeting was chaired by Mr. Jean-Pierre JOUYET, Director of the French Treasury at the Ministry of Economy, Finance and Industry, Chairman of the Paris Club.

Technical note

1. Niger's economic program is supported by an arrangement under the Poverty Reduction and Growth Facility (PRGF).

Niger reached its completion point under the enhanced HIPC Initiative on April 8, 2004.

2. The Niger's public debt was estimated to be US\$ 1758 million in face value as at end 2002 (source: IMF and IDA documents, dated December 17, 2003 published on the IMF web site www.imf.org and on the World Bank web site www.worldbank.org/hipc). The debt owed to Paris Club creditors as of end 2002 was estimated to be US\$ 197 million in face value.

3. As in any Paris Club agreement, Niger agreed to seek comparable treatment from non-Paris Club creditors and commercial creditors. The delegation of the Republic of Niger indicated its willingness to meet these creditors soon in order to negotiate the terms of a future treatment.