

Chile and Peru secure credit lines from IMF



Washington, May 30 (RHC)-- The International Monetary Fund approved a two-year \$24 billion credit line for Chile as the nation battles the coronavirus pandemic. The move comes a day after the IMF approved \$11 billion credit line for Peru.

The Flexible Credit Line is a renewable funding mechanism granted to countries with strong economic policy track records, and Chile is only the fifth country to receive one. Along with Peru, Mexico and Colombia currently have FCLs in place.

Kristalina Georgieva, the IMF's managing director, said the backstop should help to boost market confidence and Chile intends to treat the credit line as "precautionary and temporary," and exit the backstop after 24 months.

Peru likewise sees the program as precautionary and will consider exiting once the crisis has passed and "the insurance provided by an FCL arrangement would no longer be necessary."

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