

recently entered the international financial community, with the extent of its domestic economic problems becoming manifest. For other countries, mainly those in Latin America, the crisis is over for the moment. Debt reductions and restructurings throughout the 1980s and into the 1990s have given these countries more manageable repayment schedules, although external or domestic economic shocks could again result in debt-servicing problems for some.

The world economy, expected to be buoyant over the next few years, will enhance the export revenues of the SILICs and, along with the continued use of Paris Club negotiations and low market and concessional interest rates, will help these countries to service their external debt obligations over the short-term. The underlying problem of the debt overhang, however, will continue to worsen. The shift in the structure of debt, along with the problems that many countries are having in continuing its service, means that multilateral organizations, facilitators of the other debt-reduction schemes, will ultimately be put in the position of having to reduce developing country debt further for SILICs. Given the mixture of debt currently owed by these countries, this suggests that mechanisms must be developed for the reduction of multilateral debt before the aftershocks of the 1982 crisis are felt.