

UN Supports Argentina to Change Sovereign Debt Restructuring



United Nations, September 10 (Mercopress-RHC)-- The United Nations General Assembly has voted overwhelmingly in favor of a legal framework that would help regulate restructuring of foreign sovereign debt, a project that was suggested by the Argentinian government and presented before the assembly by the Group of 77 plus China.

UN General Assembly resolutions are non-binding but carry a symbolic international political weight. The final tally was 124 countries in favor of the proposal, with just 11 registering their opposition and 41 abstentions. The nations that did not support the framework were the United States, the UK, Israel, Germany, Czech Republic, Canada, Australia, Japan, Finland, Ireland and Hungary.

The UN resolution “decides to elaborate and adopt through a process of intergovernmental negotiations, as a matter of priority during its sixty-ninth session, a multilateral legal framework for sovereign debt restructuring processes.”

The purpose of this would be to increase “the efficiency, stability and predictability of the international financial system and achieving sustained, inclusive and equitable economic growth and sustainable

development, in accordance with national circumstances and priorities.”

In voting against the resolution, the United States said a statutory mechanism for debt restructurings would sow uncertainty in financial markets, and several states said the International Monetary Fund was the more appropriate venue for discussing the issue than the United Nations.

In Buenos Aires, President Cristina Fernandez addressing a political rally in government house praised the decision which “is not for the benefit of Argentina, but for all those countries with sovereign debt that are at the mercy of a few speculators.”

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