



PRESS RELEASE

BANK AL-MAGHRIB ANNOUNCES THE ADOPTION OF OFFICIAL RESERVE ASSETS AS A REFERENCE INDICATOR FOR FOREIGN EXCHANGE RESERVES

Rabat, May 22, 2020

To better monitor foreign exchange reserves, Bank Al-Maghrib adopts Official Reserve Assets (ORA) as the only reference indicator of foreign exchange reserves, in line with international best practices in this field.

From now on, the various publications of the Bank will refer to this indicator as concerns foreign exchange reserves monitoring. The historical series relating to ORA since 2001 are also made available on the Bank's website.

Formerly, the Bank used to publish Net International Reserves (NIR) besides the ORA. These two indicators present the same change profile, with almost similar levels. By way of illustration, ORA amount to 6 months and 11 days of goods and services imports, on April 30, 2020, as against 6 months and 7 days for NIR.

In fact, since 2012 and until the LPL was drawn up on April 7, NIRs were used as a measure defined with the IMF within the LPL-supported program, whereas the ORA indicator is a standard which is based on a methodological framework defined in the 6th edition of the IMF Balance of Payments Manual and allows for its international comparability.

As a reminder, ORAs are defined as "external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes". They include monetary gold and SDR holdings, the central bank's convertible foreign currencies and Morocco's reserve position with the IMF.