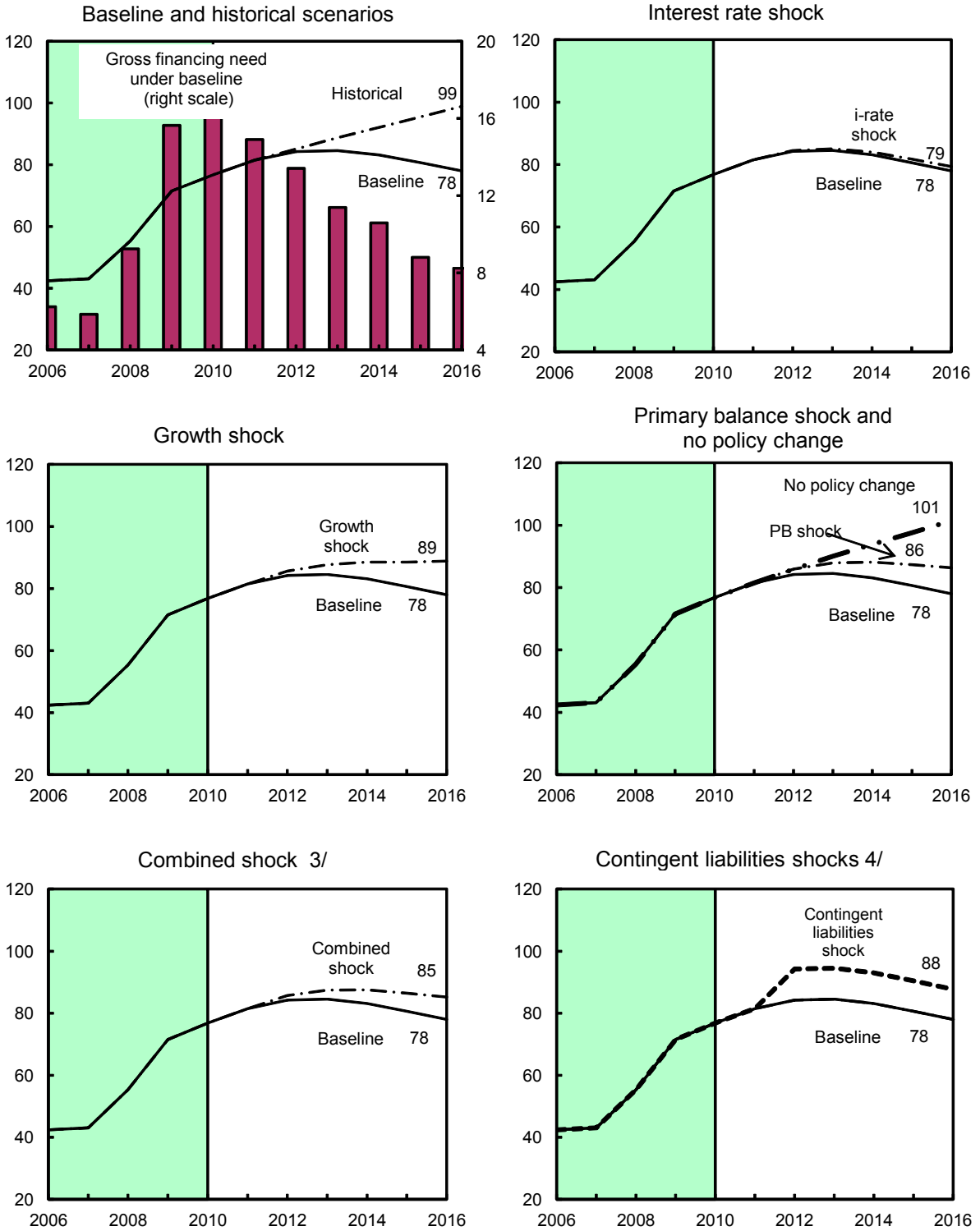


Figure A1. United Kingdom: Public Debt Sustainability: Bound Tests 1/ 2/
(General government gross debt in percent of GDP)



Sources: IMF, country desk data, and staff estimates. Data for fiscal years.

1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented.

2/ For historical scenarios, the historical averages are calculated over the last ten years, and the information is used to project debt dynamics five years ahead.

3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and primary balance.

4/ A 10 percent of GDP shock to contingent liabilities occurs in 2011.

This page intentionally left blank

INTERNATIONAL MONETARY FUND

UNITED KINGDOM

Staff Report for the 2011 Article IV Consultation—Informational Annex

Prepared by Staff Representatives for the 2011 Consultation with the United Kingdom

(In consultation with other departments)

July 12, 2011

	Contents	Page
I.	Fund Relations	2
II.	Statistical Issues	4

ANNEX I. FUND RELATIONS

(Data as of June 30, 2011)

I. **Membership Status:** Joined December 27, 1945; accepted Article VIII.

II. General Resources Account:	SDR Million	Percent Quota
Quota	10,738.50	100.00
Fund holdings of currency	7,427.25	69.16
Reserve Tranche Position	3,311.37	30.84
Lending to the Fund	1,126.00	

III. SDR Department:	SDR Million	Percent Allocation
Net cumulative allocation	10,134.20	100.00
Holdings	9,334.54	92.11
Designation Plan	0.00	

IV. **Outstanding Purchases and Loans:** NoneV. **Financial Arrangements:** NoneVI. **Projected Payments to Fund:**^{1/} (SDR million; based on present holdings of SDRs):Forthcoming

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Principal					
Charges/Interest	2.21	4.54	4.53	4.53	4.53
Total	2.21	4.54	4.53	4.53	4.53

^{1/} When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section

VII. **Exchange Rate Arrangement:**

The UK authorities maintain a free floating regime. As of June 20, 2011 the exchange rate for sterling was \$1.62. In accordance with UN resolutions and EU restrictive measures, the United Kingdom applies targeted financial sanctions under legislation relating to Al-Qaeda and Taliban, and individuals, groups, and organizations associated with terrorism; and certain persons associated with: the former Government of Iraq, the former Government of Liberia, the current Government of Burma (aka Myanmar), the former Government of the Republic of Yugoslavia and International Criminal Tribunal Indictees, the current Government of Zimbabwe, the current government of Belarus, the current government of North Korea; the current government of Iran and persons considered to be a threat to peace and reconciliation in Sudan, Cote d'Ivoire, and Democratic Republic of Congo; and persons considered by the UN to have been involved in the assassination of former Lebanese Prime Minister Rafik Hariri. These restrictions have been notified to the Fund under Decision 144-(52/51).