

Association HIV.LV



For Immediate Release – Saturday April 25

Washington, Friday April 25 2009 – Six Latvian organizations of AIDS fighters and people living with HIV have sent a representative to attend the General Assembly of the International Monetary Fund, April 25-26 in Washington, DC. They demand that Dominique Strauss-Kahn, Director of the IMF, uphold his December 23, 2008 commitment to *protect Latvian health and social spending* as part of the current IMF's loan reimbursement plan. Latvian government imports of lifesaving medications, such as HIV drugs are currently under threat, as IMF loan recovery officers make a bid for all of Latvia's foreign currency income.

LATVIA'S HIV CRISIS

Latvia is the EU Member State with the second-highest prevalence of HIV, after Estonia: 1% of adults are estimated to be living with the virus – over 10 times the EU average. There are more than 4400 (194 on 100 000 inhabitants) HIV infected people in Latvia (but according to WHO dates – 10 000), but only 334 gets the access to treatment with antiretroviral therapy. More than 400 patients in need of HIV treatment don't have access, and the number of people in need of HIV treatment is expected to double across the next few months. The decision of Latvian government to cut the health budget for 40% means to cut money for HIV/AIDS patient's medicine for 60% because there was already 20% decrease of expenses of ART this year. That is mean stop ART for almost all HIV/AIDS patients. Latvia also suffers from one of the fastest-growing epidemic in Europe. This snowballing epidemic situation requires immediate all-out interventions, starting with a 2-fold increase in treatment delivery and 2-fold increase in prevention services. Any cut to Latvia's HIV fight budget would be literally deadly.

LATVIA'S IMF NEED

Latvian banks are currently at risk of defaulting on debt owed to Nordic and Western European banks. In 2006 and 2007, these foreign banks pushed unprecedented amounts of loans upon Latvian banks and companies: for several years, they lent the equivalent of 20% of Latvian's GDP. Most of this lending was focused on speculative real estate operations, and resulted in an insane pricing bubble.

With the global burst of the stock and real estate bubbles in 2008, the EU loans to Latvian banks have now become unreimbursable, even counting on bank foreclosures on mortgaged real estate. Because of the sheer size of the foreign loans, the Latvian government doesn't have enough money alone to bail out its defaulting banks. The Nordic and Western European banks are now afraid that, if they don't get reimbursed

from Latvia, they in turn might default on their own commitments. These EU banks have therefore asked the IMF to lend to the Latvian government, so it can lend to Latvian banks so they can meet the maturities they owe to EU banks.

IMF and Latvia

In an April 16 public statement^[1], the Latvian Finance Minister revealed that IMF has threatened to withdraw €1.7bn worth of 'rescue loans' from Latvia unless the government increased the size of its budget cuts to 40%. IMF is demanding guarantees that Latvia will make reimbursement of IMF the priority use of its future foreign currency income. According to information obtained by Latvian AIDS NGOs from official sources, the Latvian budgets for importing HIV and other medications from abroad and for maintaining healthcare delivery are now both under threat. Latvians living with dangerous health conditions will die if these IMF threats come to fruition.

These recent IMF threats come in direct renegeing of the IMF Director's December 23, 2008 pledge

(see www.imf.org/external/np/sec/pr/2008/pr08345.htm) that "Latvian social spending will be protected" and that it will even "increase by 1.5% percent of GDP between 2008 and 2009".

Latvian activists call upon IMF Director Dominique Strauss-Kahn to uphold his December 2008 commitment to protect Latvian health and social budgets from IMF cuts, and to intervene personally to ensure that Latvians living with HIV or other healthcare needs may access lifesaving services in spite of IMF-mandated budget cuts.

Association HIV.LV:

Fenikss SI, Sun Island, Conscience Ecology, AGIHAS (PLWHA), Family Crisis Centre «Milgravis» and Youth against AIDS

For contact: Inga Paparde, Association HIV.LV

+371 29420692

ingapaparde@yahoo.com

www.apvienibahiv.lv

^[1] April 16 statement by Latvian Finance Minister Repse : see April 17 AFP wire story titled 'Latvia struggling to meet terms of bailout'