

IMF approves \$6 bn loan for Pakistan

WASHINGTON: The International Monetary Fund has signed off on a \$6 billion loan programme for Pakistan that spans over three years.

The Executive Board of the Fund approved the 39-month long extended arrangement under the Extended Fund Facility for Pakistan for an amount of \$6 billion dollars to support the economic reform programme.

"The EFF-supported programme will help Pakistan reduce economic vulnerabilities and generate sustainable and balanced growth focusing on: a decisive fiscal consolidation to reduce public debt and build resilience while expanding social spending; a flexible, market-determined exchange rate to restore competitiveness and rebuild official reserves; to eliminate quasi-fiscal losses in the energy sector; and to strengthen institutions and enhance transparency," the IMF said in a statement after the Board meeting on Wednesday.

The Board's approval allows for an immediate disbursement of about \$1 billion. The remaining amount will be phased over the duration of the programme, subject to four quarterly reviews and four semi-annual reviews.

Wajid Ali Syed