

**Accord on \$6bn IMF package likely by April**

ISLAMABAD: With the highest-level intervention, Pakistan is expecting to complete its talks with the International Monetary Fund (IMF) for up to \$6 billion bailout package 'very soon' to make it part of the 2019-20 budget.

"The technical staff-level contact through video-link is due this week and may be followed up by Finance Minister Asad Umar next week," said a senior government official, adding the two sides might still meet at the staff level if needed.

"A lot of work still needs to be done, but a final agreement should be in place by April and implementation start rolling in June," said the official, adding that all policy actions would revolve around the next year budget. "We have reached broad understanding and will stay engaged."

Sources said the revenue collection target for the next fiscal year would be worked out by the IMF and it could be well above Rs4.7 trillion, compared to about Rs4.39tr this year fixed by the government. More upward adjustments in central bank's policy rate and exchange rate depreciation would be part of the understanding, they said.

**Lagarde tells Imran Fund ready to support Pakistan**

Further adjustments in energy prices, expansion in revenues, reduction in losses of public sector entities, further autonomy to the State Bank of Pakistan, market-based currency exchange rate and deep-rooted structural reforms are key areas under the future assistance package from the IMF. The two sides had already agreed on the way forward but had differences over the sequencing as the government wanted the passing of 'further pain' on to people next year.

"In my meeting today with IMF Managing Director Christine Lagarde there was a convergence of our views on the need to carry out deep structural reforms to put the country on the path of sustainable development in which the most vulnerable segments of society are protected," Prime Minister Imran Khan tweeted after his talks with the IMF chief in Dubai.

Ms Lagarde also took to Twitter to reiterate that "the IMF stands ready to support Pakistan". She said she "also highlighted that decisive policies and a strong package of economic reforms would enable Pakistan to restore the resilience of its economy and lay the foundations for stronger and more inclusive growth".

The IMF chief said the two sides discussed Pakistan's economic prospects in the context of a possible IMF-supported programme. "Protecting the poor and strengthening governance are key priorities to improve people's living standards," she added.

Informed sources said the meeting was finalised last week after a videoconferencing between Finance Minister Umar and IMF authorities in Washington as the two leaders were due to attend the World Government Summit in Dubai.

A statement issued by the finance ministry said Prime Minister Khan and IMF chief Lagarde had a meeting on the sidelines of the World Government Summit. The prime minister appreciated the IMF support for Pakistan and shared his vision for nation-building. He reiterated the government's commitment to undertaking structural and governance reforms and strengthening social protection in the country.

The statement said the IMF chief had “acknowledged the steps taken so far by the Pakistan government for stabilising the economy”, adding that the IMF would remain engaged in supporting Pakistan in sustaining its economic recovery.

The two sides agreed to work together on policy priorities and reforms aimed at reducing imbalances and laying the foundations of a job-creating growth path in Pakistan. In this regard, deliberations between the Pakistani authorities and IMF staff would continue to finalise an agreement on the contours of a programme, the statement said.

A separate statement issued by the IMF headquarters quoted Ms Lagarde as saying that she “had a good and constructive meeting with Prime Minister Khan, during which we discussed recent economic developments and prospects for Pakistan in the context of ongoing discussions toward an IMF-supported programme”.

As emphasised in the new government’s policy agenda, “protecting the poor and strengthening governance are key priorities to improve people’s living standards in a sustainable manner”, the IMF chief added.

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