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## Saudi Arabia to provide \$1 bn next week, govt tells IMF

ISLAMABAD: Pakistan has informed the visiting IMF mission that Saudi Arabia is going to provide first installment of over \$1 billion for building up dwindling foreign currency reserves next week out of total commitment of \$3 billion as total amount will be provided in two to three installments.

The non-availability of dollar inflows has put pressure on exchange rate and rupee continued to slide against dollar in gradual manner. With the expected over \$1 billion inflows for building up reserves next week, then the exchange rate stability will be ensured in coming weeks. However, gradual adjustment of exchange rate may continue but the SBP will be in position to avoid sharp decline in the currency market.

The critical part of discussion in ongoing parleys with the IMF is on front of projection of FBR's tax collection target as the initial assessment of the Fund mission estimated that the FBR is going to face tax shortfall of over Rs200 billion so the government will have to take additional measures to bridge this gap on revenue front or the budget deficit is bound to exceed its desired target.

Pakistan's economic managers are continuously briefing the visiting IMF team on third consecutive day in which they informed the Fund that the financing gap narrowed down in the wake of Saudi facility, expected economic package from China, increasing remittances in double digit and narrowing down the trade and current account deficit. "We may seek \$6 to \$8 billion package from the IMF with the possibility of keeping size of the programme on lower side," said one top official of economic team while talking to The News here on Friday.

Pakistani team briefed the IMF on privatization plan envisaged by the PTI led government under which the loss making giant entities excluded from the privatization list. The government team told the IMF that the wealth fund would be established with the mandate to manage the loss making entities in the range of four to five only at initial stage. "It will be a management company and no funding will be required to run its affairs at initial stage," said the official sources.

The IMF is suggesting to the government to privatise one of the giant entity of oil, gas or other sector and then utilise its funding for running the affairs of loss making entities till at time of their revivals. The government team was of the view that when the funding would be required at latter stages then all these options could be explored. ks

