

Policy-level talks with IMF begin today

ISLAMABAD: The International Monetary Fund (IMF) visiting mission and government economic team led by Finance Minister Asad Umar will begin policy-level discussion on a new bailout package from today (Monday) with plenary meeting to focus on recent developments, government policy plan and programme overview.

Sources in the Finance Ministry after the data sharing the IMF mission and government economic in the plenary meeting led by Finance Minister will hold discussion on “recent developments, government policy plan and programme overview, and mission agenda”.

The plenary meeting sources said will be followed by discussion on macroeconomic adjustment framework between the two sides. Sources further stated that discussion will also be held on revenue measures and government revenue team led by Minister of State for Revenue Hamad Azhar and Chairman Federal Board of Revenue (FBR) will apprise the Fund’s team on revenue measures and policy plans as well and technical assistance (TA) needs.

Sources said that agenda of the first day of policy level discussion also included financial sector development and Financial Action Task Force (FATF) issue and programme monetary and exchange rate policies.

However, it remains unclear as to who is heading the IMF mission as officials in the finance ministry expressing their obliviousness as to who is heading the Fund’s mission to Pakistan.

An official said that although the government has already undertaken politically challenging decision of power tariff increase as well as gas price and depreciation of exchange rate, IMF conditionalities may not be easier as usually Fund seeks withdrawal of subsidies to reduce the budget deficit and immediate implementation of power tariff determination.

They added that stabilization will be primary focus of the IMF new package and other policies will revolve around the stabilization as the country is facing major challenge on external account and fiscal deficit with lowest tax to GDP ratio. The negotiation with the Fund will also be a test case of the astuteness of the government economic team.

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