

Who is IMF mission chief to Pakistan?

ISLAMABAD: The International Monetary Fund's (IMF's) reluctance to reveal the name of the mission chief to Pakistan for discussions on terms and conditions on a new bailout package is 'highly unusual' and may be attributed to the previous mission leader's considerable exposure to the Pakistani media during his visits, informed sources told Business Recorder.

This newspaper sent a text to IMF Resident Representative in Pakistan, Teresa Dabán Sanchez as to who was leading the Mission and the response was "there is no planned interaction with press at this stage. We will hold a press conference at the end of the mission."

Harald Finger who took over Pakistan's portfolio from Jeffrey Franks was accused of formulating the Extended Fund Facility package for Pakistan that was found to be flawed in several respects: focused on higher revenue generation through raising taxes on existing taxpayers with little focus on widening the tax net, not taking account of heavy external borrowing by the Dar-led Finance Ministry to shore up foreign exchange reserves that accounts for the current account deficit reaching an historical high and not allowing the rupee to reach its market value that accounted for plummeting exports (exports during the EFF contracted from \$25 billion in 2013 to around \$20 billion in September 2016).

Finger recommended 14 waivers when Pakistan failed to meet structural benchmarks and remained reluctant to insist on time bound actions. According to senior officials, one waiver after another during the mandated quarterly reviews under the EFF was not a good omen for Pakistan's economy as it encouraged the previous economic team not to the necessary undertake reforms.

Reforms in the power sector made no progress under EFF as issue of line losses and power theft was not effectively dealt with and the entire reliance remained on increasing electricity tariffs; as a result the circular debt issue was exacerbated.

An official of the Finance Minister said that as per his understanding data sharing will be undertaken in the first week of the visit of Fund mission to ascertain the state of the economy of Pakistan, followed by policy level discussions and lastly terms and conditions of the new package.

An official said that if the government is serious to bring reforms in the critical sectors of the Pakistan's economy, then it should formulate its own home grown out of the box solutions and try to convince the IMF that they are the way forward for the country.

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