

October 14, 2013

Finance Minister & SBP Governor meet with MD IMF Lagarde

Finance Minister Ishaq Dar and SBP Governor Yaseen Anwar had a private audience with MD IMF Mrs Lagarde on Sunday, October 13, 2013—a recognition of the importance and attention to Pakistan.

Mr. Ishaq Dar, while conveying his gratitude for the support given by the MD and her team for approving the EFF Program Facility for Pakistan, outlined the major bold and robust structural reforms the government had initiated that would steer the country towards sustained economic stability. Senator Dar articulated the vital energy reforms underway, steps being undertaken to reduce the fiscal deficit going forward, improving significantly the Tax/GDP ratio, addressing the low 14% Investment/GDP ratio, the privatization process of key public sector entities, and improving overall corporate governance.

Senator Dar also underscored Pakistan's commitment to strict discipline in meeting the benchmarks of the IMF facility. This was already evident when Pakistan not only met all actions required prior to the IMF Board approval on September 4, 2013 but also in meeting the very aggressive benchmarks as of quarter end September 30th in a matter of 26 days. These actions demonstrate the country's commitment and ability to meet the IMF conditions and move towards an improved economy. He also highlighted how market sentiment had improved and that offshore investor confidence in Pakistan was very upbeat that would translate into FDI inflows, thereby improving our Balance of Payments. Mrs Lagarde expressed her satisfaction and was pleased to see the positive progress initiated by Pakistan which she follows closely.

SBP Governor informed the MD of the recognized global leadership role SBP had played in recent years in establishing the regulatory framework for microfinance and branchless banking in order to provide huge unbanked sector the basic financial products to those who do not have access to finance. He articulated SBP's role in Financial Inclusion, Bank-led models that currently comprise over 94,000 agent network providing payment services, and the National Financial Literacy Program that also focuses on educating women so they have access to basic financial products. These successes in Pakistan's financial inclusion strategy are a major step towards supporting growth in the economy as well as poverty alleviation. Due to her personal interest in promoting growth and poverty alleviation, Mrs Lagarde was pleased to hear of Pakistan's success and indicated her support.

Given Mrs Lagarde's busy schedule during the annual IMF meetings, this private meeting is recognition of Pakistan's important role as a member country.
