

No request, no discussion for bailout: IMF

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- Pakistan has neither requested nor held any discussions to go on an International Monetary Fund (IMF) programme. Gerry Rice of the Communication Department, IMF, during a press conference was asked, "We have seen the Pakistani currency devaluing quite significantly recently, and there has been speculation that their officials may be seeking another condition to the IMF loan. Is the IMF in discussions with Pakistani officials regarding a potential loan agreement?"

Rice replied, "No. There has been no request, and no discussion of a program with the IMF. Economic analysts maintain that Pakistan's next government, to be chosen in a July 25 election, faces growing fears of a balance of payments crisis with speculation it will have to seek its second IMF bailout in five years.

Fitch Ratings last week stated that the authorities are expected to explore financing options after the elections when an agreement with the IMF might become more viable. Pakistan's last three-year IMF programme, which ended in September 2016, supported a recovery in foreign reserves, mainly attributed to enhanced foreign borrowing, and was marked by a focus on macroeconomic stability.

Finance Ministry remains indecisive about Article-IV consultation with the IMF. Media office focal person in the Finance Ministry Saeed Javed recently confirmed that no development was taking place in the Ministry with respect to Article IV consultations with the IMF.

Article IV consultations are part of routine annual IMF monitoring of member countries. Pakistan's last Article IV consultations concluded on April 5, 2017 and the report was released in June 2017. Pak-IMF talks were due in March 2018 and postponed due to budget engagements of the previous government. According to the IMF website, the Article IV consultations that take place on a standard twelve-month cycle will be subject to a grace period of 3 months and, accordingly, will be expected to be completed within 15 months of the date of the completion of the most recent consultation.

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