
IMF and Iraq in talks on USD 5.5 billion program

Monday, 22 Jun, 2009

Reuters quoted spokeswoman IMF said that Iraq has expressed interest in a USD 5.5 billion International Monetary Fund loan program over 18 months.

The spokeswoman said that the issue was raised during economic consultations between Iraqi authorities and IMF staff in Amman, Jordan, last weekend.

An Iraqi official said that the standby deal would be for 5 years.

The spokeswoman said that "Further discussions will be held over the coming months to work out the details of a new program and determine the financing that could be provided."

She said that "The actual access will depend on Iraq's needs and the strength of a new program, with a final decision resting with the executive board."

It would be the largest IMF program agreed with the new Iraqi administration which has had 2 previous arrangements of less than USD 1 billion each.

Discussions on an expanded program come amid signs late last year that economic activity is picking up in Iraq as security conditions improve but uncertainty over the upcoming reduction in US troops numbers weighs on investors.

Iraq relies on oil exports for more than 95% of state revenues and desperately needs funds to rebuild the country after years of sectarian conflict and insurgency triggered by the 2003 US invasion.

Mr Mudher Kasim senior Iraqi central bank advisor said that the IMF had presented it proposed conditions for the loan during the talks in Amman, calling for further fiscal reforms, restructuring of state banks and banking sector reform.

(Sourced from Reuters)

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