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The International Monetary Fund's Remarks for Session 4

Thank you Mr. Chairman. I would like to focus my remarks on three issues:

First, let me begin with the strategic objectives of CAREC 2020.

We fully support the vision, goals, and strategies laid out in CAREC 2020. We also welcome the Wuhan Action Plan as an important step in helping to meet the goals of CAREC 2020. Among these goals, we particularly welcome the strategic objectives of expanding trade and improving competitiveness, which are designed to be mutually reinforcing and help achieve CAREC's goal of sustainable development through economic cooperation and integration. The International Monetary Fund (IMF) will continue to provide support, especially with respect to the objective of enhancing trade integration. In this regard, the Trade Policy Coordinating Committee meeting held on Sunday discussed the update of the Trade Policy Sector Action Plan, scheduled for 2013. This update will include

- (i) commitments to ongoing trade liberalization, with enhanced monitoring,
- (ii) working to meet World Trade Organization's accession objectives, including by fostering knowledge sharing, and
- (iii) continued efforts to bolster the institutional environment for trade.

Second, let me turn to the nature of IMF engagement in CAREC countries under its core mandate.

Consistent with the IMF's mandate, our focus is to help CAREC countries manage their economies effectively and avoid crises. This involves, in particular, providing advice on macroeconomic and structural policies, and building capacity. Our involvement with CAREC member countries varies widely; from program relationships with Afghanistan and the Kyrgyz Republic, which involve lending and intensive monitoring, to a standard surveillance engagement with Azerbaijan, [the People's Republic of] China, Kazakhstan, Turkmenistan, and Uzbekistan. We are also active in Post-Program Monitoring with Mongolia and Pakistan, and are about to initiate discussions on a new program with Tajikistan.

Finally, let me turn to key policy challenges as we see them.

While each CAREC country faces its own challenges, common issues concern promoting macroeconomic stability and addressing structural challenges to enable private sector-led growth, enhance governance and accountability, strengthen financial sectors, and encourage greater integration, both within CAREC and globally.

CAREC countries, like others, have been affected by global shocks of recent years. In this context, as I mentioned in my remarks this morning, it is imperative to address a number of policy challenges, including rebuilding buffers in the fiscal and financial domains, improving the business environment, and bolstering regional trade integration. Other priorities include enhancing the transmission of monetary policy, and, in resource-rich countries, a more effective management of natural resource revenues.

We look forward to continuing a close and productive relationship with CAREC member countries, as they strive to promote macroeconomic stability, trade integration, and sustainable growth that can form the basis for prosperity across the region.

Thank you.