

CAREC 13th Ministerial Conference: IMF Remarks for Session 4

Thank you Mr. Chairman. I would like to focus on three issues (CAREC 2020, implementation of the updated trade policy strategic action plan, and current IMF engagement with CAREC countries).

First, we continue to endorse the important initiatives under CAREC 2020 which aim to turn CAREC's landlocked nations into "land-linked" economies. To achieve the goals of expanding trade and improving competitiveness, we support the more focused and targeted cooperation strategies in the four priority sectors.

Second, let me comment on the implementation of the updated trade policy strategic action plan (TPSAP). When the updated action plan was endorsed at the 12th Ministerial Meeting last year, it was agreed that close collaboration with, and assistance from CAREC's international partners in support of the implementation of the action plan is key to its success. The updated action plan builds on the previous plan, but adds two new objectives: (i) reducing and rationalizing the trade-impeding impact of SPS (sanitary and phytosanitary) and TBT (technical barriers to trade) measures, and (ii) expanding trade in

services. Action toward these objectives will yield substantial benefits from trade expansion. But the implementation of policies in these areas is more challenging than the simple removal or reduction of traditional trade barriers, such as tariffs; hence, close collaboration with, and assistance from the multilateral development institutions and the donor community is paramount to ensuring successful implementation of the updated action plan.

Let me turn to the current IMF engagement in CAREC countries. Consistent with the IMF's mandate, our focus is to help CAREC countries manage their economies effectively and help prevent crises. This involves providing advice on macroeconomic and structural policies, and technical assistance to build capacity. Our engagement with CAREC member countries is tailored to country circumstances and varies from program relationships with Afghanistan and Pakistan, and possibly soon with the Kyrgyz Republic, where program negotiations are starting, to a standard or enhanced surveillance engagement with the other CAREC members.

Finally, the IMF stands ready to further support regional cooperation initiatives, including by promoting peer-to-peer interactions and through collaboration with our multilateral partners. We look forward to continuing

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

Thank you.