The IMF in the New Member States of the EU

Dr. Christoph Rosenberg
Warsaw Regional Office
International Monetary Fund
Warsaw
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Outline

- IMF Basics
- IMF and Poland
- Regional Office for Central Europe and the Baltics
IMF Basics

Founded 1944 at Bretton Woods to
- Promote international monetary cooperation
- Foster balanced growth and international trade
- Assist in the multilateral system of payments
- Help countries deal with BoP difficulties
IMF Basics

Core activities today

- Surveillance (Art IV)
- Lending to members with external payments difficulties
- Institution Building (technical assistance, training)
IMF Basics

Source: IMF.
IMF Basics

**Quotas and voting rights (in percent of total)**

- United States, 16.8
- Japan, 6.2
- Germany, 6.1
- France, 5.0
- Unted Kingdom, 4.9
- Italy, 3.3
- Saudi Arabia, 3.3
- Poland, 0.6
- Other, 53.1

Source: IMF.
## IMF Basics

### Composition of the Executive Board

<table>
<thead>
<tr>
<th>Country</th>
<th>Votes</th>
<th>Executive Director</th>
<th>Alternate Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US</strong></td>
<td>16.83</td>
<td>Vacant</td>
<td>Meg Lundsager</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>6.04</td>
<td>Shigeo Kashiwagi</td>
<td>Michio Kitahara</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>5.9</td>
<td>Klaus D. Stein</td>
<td>Stephen von Stenglin</td>
</tr>
<tr>
<td><strong>Belgium, Austria, Belarus, Czech Republic, Hungary, Kazakhstan, Luxemburg, Slovak Republic, Slovenia, Turkey</strong></td>
<td>5.16</td>
<td>Willy Kiekens</td>
<td>Johan Prader (Austria)</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>4.87</td>
<td>Pierre Duquesne</td>
<td>Bertrand Dumont</td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>4.87</td>
<td>Tom Scholar</td>
<td>Jens Larsen</td>
</tr>
<tr>
<td><strong>Netherlands, Armenia, Bosnia &amp; Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Macedonia, Moldova, Romania, Ukraine</strong></td>
<td>4.77</td>
<td>Jeroen Kremers</td>
<td>Yuriy G. Yakusha (Ukraine)</td>
</tr>
<tr>
<td><strong>Venezuela, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain</strong></td>
<td>4.21</td>
<td>Roberto Guarnieri</td>
<td>Ramon Guzman (Spain)</td>
</tr>
<tr>
<td><strong>Italy, Albania, Greece, Malta, Portugal, San Marino, Timor-Leste</strong></td>
<td>4.12</td>
<td>Arrigo Sadun</td>
<td>Miranda Xafa (Greece)</td>
</tr>
<tr>
<td><strong>Australia, Kiribati, Korea, Marshall Islands, Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Philippines, Samoa, Seychelles, Solomon Islands, Vanuatu</strong></td>
<td>3.86</td>
<td>Richard Murray</td>
<td>Wilhemina C. Manalac (Phillipines)</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>3.67</td>
<td>GE Huayong</td>
<td>HE Jianxiong</td>
</tr>
<tr>
<td><strong>Canada, Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Ireland, Jamaica, St, Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines</strong></td>
<td>3.65</td>
<td>Jonathan Fried</td>
<td>Peter Charleton (Ireland)</td>
</tr>
<tr>
<td><strong>Finland, Denmark, Estonia, Iceland, Latvia, Lithuania, Norway, Sweden</strong></td>
<td>3.45</td>
<td>Tuomas Saareheimo</td>
<td>Jon Thorvardur Sigurgeirsson (Iceland)</td>
</tr>
<tr>
<td>Country</td>
<td>Votes</td>
<td>Executive Director</td>
<td>Alternate Director</td>
</tr>
<tr>
<td>---------</td>
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<td>--------------------</td>
</tr>
<tr>
<td>Egypt, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Maldives, Oman, Qatar, Syrian Arab Republic, United Arab Emirates, Yemen</td>
<td>3.21</td>
<td>A. Shakour Shaalan</td>
<td>Samir El-Khouri (Lebanon)</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>3.17</td>
<td>Abdallah S. Alazzaz</td>
<td>Ahmed Al Nassar</td>
</tr>
<tr>
<td>Malaysia, Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People’s Democratic Republic, Myanmar, Nepal, Singapore, Thailand, Tonga, Vietnam</td>
<td>3.12</td>
<td>Hooi Eng Phang</td>
<td>Chantavam Sucharritakul (Thailand)</td>
</tr>
<tr>
<td>Kenya, Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan Swaziland, Tanzania, Uganda, Zambia</td>
<td>2.95</td>
<td>Peter Gakunu</td>
<td>Samura Kamara (Sierra Leone)</td>
</tr>
<tr>
<td>Switzerland, Azerbaijan, Kyrgyz Republic, Poland, Republic of Serbia, Tajikistan, Turkmenistan, Uzbekistan</td>
<td>2.80</td>
<td>Thomas Moser</td>
<td>Andrzej Raczko (Poland)</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>2.7</td>
<td>Aleksei V. Mozhin</td>
<td>Andrei Lushin</td>
</tr>
<tr>
<td>Iran, Afghanistan, Algeria, Ghana, Morocco, Pakistan, Tunisia</td>
<td>2.43</td>
<td>Abbas Mirakhor</td>
<td>Mohammed Dairi (Morocco)</td>
</tr>
<tr>
<td>Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, Trinidad and Tobago</td>
<td>2.43</td>
<td>Eduardo Loyo</td>
<td>Maria Ines Agudelo (Colombia)</td>
</tr>
<tr>
<td>India, Bangladesh, Bhutan, Sri Lanka</td>
<td>2.36</td>
<td>Adarsh Kishore</td>
<td>Amal Uthum Heart (Sri Lanka)</td>
</tr>
<tr>
<td>Peru, Argentina, Bolivia, Chile, Paraguay, Uruguay</td>
<td>1.96</td>
<td>Javier Silva-Ruete</td>
<td>Hector R. Torres (Argentina)</td>
</tr>
<tr>
<td>Rwanda, Benin, Burkina Faso, Cameroon, Cape Verde, Central Africa Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Cote d’Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Sao Tome and Principe, Senegal, Togo</td>
<td>1.39</td>
<td>Laurean U.W. Rutayisire</td>
<td>Kossi Assimaidou (Togo)</td>
</tr>
</tbody>
</table>
IMF Basics
Management

Managing Director:  
Rodrigo de Rato (Spain)

First Deputy Managing Director  
John Lipsky (US)

Deputy Managing Director  
Takatoshi Kato (Japan)

Deputy Managing Director  
Murilo Portugal (Brazil)

Director of the European Department  
Michael Deppler (US)
IMF Basics
Staff

Total Staff: 2691, of which 1313 economists (mostly with Ph.D. and specialization in macroeconomics and financial markets)

- Asia, 446
- Europe, 805
- US & Canada, 745
- Middle East, 108
- Poland, 23
- Other Western Hemisphere, 373
- Africa, 191
IMF Basics
Lending

IMF lendable resources (in USD bn)

Source: IMF.
Outstanding credit (in USD bn)

Source: IMF.
## IMF Basics

<table>
<thead>
<tr>
<th>Country</th>
<th>Outstanding Credit (bn USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>10.404</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.463</td>
</tr>
<tr>
<td>Democratic Republic of Congo</td>
<td>0.837</td>
</tr>
<tr>
<td>Ukraine</td>
<td>0.825</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.480</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>0.462</td>
</tr>
<tr>
<td>Iraq</td>
<td>0.449</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.344</td>
</tr>
<tr>
<td>Liberia</td>
<td>0.337</td>
</tr>
</tbody>
</table>
Proposals to secure the long-term financing of the IMF

- Expand investment income
- Create investable assets to generate income through limited gold sales
- Charge for TA and training
IMF and Poland

- Member since 1986
  (Quota 2069 mn USD)
- Financial Arrangements
  
  1990-91 Stand-By  540.5 mn USD
  1991-93 EFF       115.6 mn USD
  1993-94 Stand-By  539.6 mn USD
  1994-95 Stand-By  428.2 mn USD

- Since 1997 surveillance relationship:
  one Article IV Consultations and one staff visit per year
IMF and Poland

Financial Position vis-à-vis the IMF (mn USD)
IMF and Poland

Recent issues in surveillance

- Monetary Policy – is/was it too tight?
- Fiscal Policy – how to achieve sustainability, how to meet EU requirements
- Euro adoption – how to prepare
- Credit growth – should we worry?
- GDP growth – will it last?
Regional Office for Central Europe and the Baltics

Objective:

“...to enhance the Fund’s ability to carry our surveillance in the eight new, Central and Eastern European members of the EU, particularly in connection with framing and executing plans for euro adoption”
Regional Office for Central Europe and the Baltics

Specific tasks according to the ToR:

- “Complement the work of regular mission teams”
- “Provide information and analysis to HQ on developments”
- “Maintain broad contacts with groups and individuals involved in the issues”
- “Serve as a conduit of analysis prepared by HQ”
Warsaw Office Staff

**Christoph Rosenberg**, Senior Regional Representative

**Robert Sierhej**, Senior Economist
Poland, Lithuania, Estonia, Latvia; fiscal issues

**Marcel Tirpak**, Economist
Hungary, Slovakia, Czech Republic, Slovenia; financial stability and ERM2 issues

**Agata Kariozen**, Research Assistant
Cross-country data base

**Barbara Kostrzewa**, Office Manager

**Wiesiek Glocer**, Man for all seasons and all reasons
Recent Topics of Regional Surveillance

- Euro Adoption
- Growth and real convergence
- Capital flows
- Current account sustainability in the Baltics
- Globalization and inflation
Thank you!

...and visit us at

www.imf.org/cee