



IMF @AkhbarAsunduk Arabic Twitter Takeover—Your Questions Answered

June 22, 2016

On Monday June 13, 2016, the IMF's Arabic Twitter account @AkhbarAsunduk shared the latest IMF research and content on the MENA region. We also asked that you tweet us your questions using the # اسأل_الصندوق and mention us @AkhbarAsunduk. Here are some of the top questions and answers we received during the day of the Twitter Takeover. Remember to stay tuned to @AkhbarAsunduk and the Economic Window blog for the most up-to-date policy and analysis on recent economic developments in the MENA region!

1. What is the economic situation in the Gulf states?
 - It is expected that the slowdown in economic activity will get worse this year, but ambitious reforms have begun to be implemented to promote growth in the coming years. See: [Economic Studies](#).
2. Can economic transition be accomplished in the Middle East without new economic and political mechanisms to counter the old approach, which has not proven to be effective?
 - In order to improve the economic situation in the Middle East, the Fund recommends bearing in mind that the countries concerned with economic reforms are different from each other. See the [Regional Economic Outlook](#) to learn about the priorities.
3. Is it possible for the economy of the Middle East to improve under the same old policies, administration, and leadership?
 - The countries of the region have adopted many economic reforms and there are other reforms that will help to improve living standards.
4. Assuming the existence of good political and economic management in the countries in question, how many years will it take them to recover and join the global economy?
 - The process of recovery has begun in some countries, and improvement depends on the degree of commitment and the speed with which the required policies are implemented.
5. When the IMF holds a consultation, is a follow-up committee established, or is the follow-up limited to just talk?
 - The Fund holds [regular consultations](#) with the government and prepares a follow-up report on implementation of the previous recommendations.
6. How long will Algeria's cash reserve last, and why has Algeria not implemented any real subsidy reforms?

- The [economic outlook](#) depends on policies that respond to the fall in oil prices.
 - [IMF electronic newsletter](#): Algeria is making efforts to diversify and restructure its economy in response to the fall in oil revenues.
7. Why was there no relief for the poor when oil prices fell, while the burden falls on the poor when prices rise?
- The Fund strives to help the poor at all times, and particularly when the burden on them increases as the result of price changes.
8. Is there really an advantage to unifying the economy of the Gulf countries?
- There are many advantages related to expansion of the market, such as promoting and facilitating investment and the movement of fund, as well as reducing costs and enhancing the region's bargaining power with the rest of the world.
9. Will oil prices remain at their current level or will they continue to fall as a result of the ongoing instability?
- Prices have recently risen significantly, and the futures markets anticipate that [prices will remain](#) below 2014 levels in the coming years.
10. What is your comment on the delay by the Egyptian government in implementing economic reforms? Has the government requested a loan from the IMF?
- The IMF held constructive consultations with the Egyptian authorities during the Spring Meetings and is in constant touch with them. We have not received any request for financing.
11. What is your view of the system of government subsidies in Egypt? How can the government take advantage of the decline in oil prices?
- The decline in oil prices provides an opportunity to gradually eliminate fuel subsidies. It also helps the reform process, has a positive effect on the budget, and helps reduce the trade deficit.
12. What is your view of the Egyptian economy at present in light of its slow rate of growth? Does Egypt need financing (loans)?
- The decline in global growth makes the situation more difficult, but Egypt will succeed by following the [correct policies](#). The support of Egypt's partners in this regard can be helpful.
13. What is your view of the return on deficit spending in Saudi Arabia, compared to the anticipated return on the sovereign fund, with a delay in the governance [plan] submitted to the Fund?
- It is important for the government to ensure that its spending meets the needs of economic development. This spending will contribute to enhancing soundness and infrastructure for [developing the economy](#).
14. Are your decisions politicized? Are there countries that intervene directly in the Fund's decisions?
- The IMF does not deal with political issues. It makes its decisions by consensus in the [meetings of the Executive Board](#), which is composed of the representative of 189 member countries.

15. What measures can be taken to support the countries that are hosting Syrian refugees with regard to monetary matters? Loan forgiveness?
- The IMF has been in close contact with the donors to ensure the provision of grants and concessional financing to the countries that are hosting refugees.
16. What are the latest developments in the program for Jordan? What are the most important terms of the agreement?
- The government's program is aimed at maintaining [economic stability](#), reducing the debt, and meeting the requirements for comprehensive growth.
17. Does the IMF have a role to play in supporting the Central Bank of Yemen, in view of the volatile situation of the Yemeni riyal?
- We have been in contact with the Central Bank and have exchanged views of the best options to choose when required.