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International Monetary Fund
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IMF's Camdessus Welcomes Steps By Palestinian Authorities

International Monetary Fund (IMF) Managing Director Michel Camdessus welcomed today a number of steps by the Palestinian Authority to substantially improve financial transparency, fiscal discipline and good governance, and pledged to continue the IMF's efforts to work closely with the Palestinian Authority on critical economic policy issues.

Camdessus pointed to a decree signed by the President of the Palestinian Authority, Yasser Arafat, including a measure to create a Higher Council for Development chaired by the President, as "a decisive step in the development of the Palestinian economy."

"We greatly value the opportunity for the Fund to continue to work closely with the Palestinian Authority on economic policy issues, and to help develop a comprehensive economic policy framework for the Palestinian economy," Camdessus said.

President Arafat is expected to visit the IMF on Friday, January 21, to review economic policy issues with management and staff. An IMF staff team will also visit the West Bank and Gaza later in January as part of the effort to develop a comprehensive economic policy framework.

Last week, President Arafat signed a decree that stipulates that all tax revenue shall go to the Ministry of Finance; that creates a Palestinian Investment Fund, charged with managing all of the Palestinian Authority's assets in a transparent manner and subject to regular external audits; and stipulates that the Higher Council of Development shall prepare a comprehensive privatization strategy by May 1, 2000. The decree also transfers the authority of the Gaza payroll, with immediate effect, to the Ministry of Finance, which is a key measure necessary to halt the excessive growth of the government wage bill.

EXTERNAL RELATIONS DEPARTMENT

Washington, D.C. 20431 • Telephone 202-623-7100 • Fax 202-623-6772 • www.imf.org

