

Statement by IMF Managing Director Christine Lagarde at the Conclusion of Her Visit to Turkey

Press Release No.12/171

May 11, 2012

Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF) made the following statement today at the conclusion of her visit to Istanbul, Turkey, where she met with the authorities and attended the 7th Investment Advisory Council.

"It has been a pleasure to be back in Turkey on the occasion of my first visit as Managing Director of the IMF. I was especially pleased to have the opportunity to meet with Prime Minister Recep Tayyip Erdoğan, as well as with Deputy Prime Minister Ali Babacan, and Minister of Economy Mehmet Zafer Çağlayan.

"I congratulated the Prime Minister and his colleagues on the reforms and achievements of the last ten years that have led to macroeconomic stability and enabled a major transformation of the Turkish economy.

"The economy is now at a critical juncture. Economic growth is projected to decelerate this year. The deceleration in growth has its benefits, allowing a reduction in the current account deficit and inflation, two areas which require special attention.

"The IMF agrees with the authorities that it is important now to focus more on increasing domestic savings to reduce the vulnerabilities that can come from short-term capital inflows. In that context, I welcome the government's recent initiatives to increase private savings, including through the reform of private pensions.

"At the Investment Advisory Council meeting, I participated in discussions about how to increase further Turkey's attractiveness as a major investment destination. The IMF contributes in this area through our ongoing policy dialogue with the authorities.

"In addition to meeting with investors and government officials, I also met with a group of distinguished female representatives from business and academia. We discussed the issues that hold back women's participation in the labor market, the policies that could help increase this untapped labor source.

"I also had the privilege of visiting with the people of the Kocaeli province—many of them young people, some of them disabled by the earthquake—during an event held by the local municipality and a non-governmental organization. It was truly inspirational to witness their courage and determination.

"In conclusion, I would like to emphasize that the IMF very much values the constructive and successful relationship between the Fund and Turkey, and we appreciate the important role Turkey plays both in the IMF and in the Group of Twenty. We cooperate in many areas, and look forward to our continuing dialogue.

"I would like to express my appreciation to the authorities, and to the people of Turkey, for their gracious hospitality."

IMF EXTERNAL RELATIONS DEPARTMENT

Public Affairs

Media Relations

E-mail: publicaffairs@imf.org

Phone: 202-623-7100

Fax: 202-623-6278

Fax: 202-623-6772