

Statement by IMF Managing Director Christine Lagarde at the Conclusion of her Visit to Mauritania

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Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), made the following statement today in Nouakchott:

"It is a great pleasure to visit Mauritania for the first time as Managing Director of the IMF.

"I had the privilege of meeting President Mohamed Ould Abdel Aziz, Finance Minister Thiam Diombar, the Minister of Economic Affairs and Development, Mr. Sidi Ould Tah, and Central Bank Governor, Mr. Sid'Ahmed Ould Raiss, as well as representatives of the Mauritanian private sector. I congratulated the authorities for their apt macroeconomic management, which helped economic activity to rebound in 2012, inflation to be well contained, and fiscal and external buffers to increase substantively. However, Mauritania continues to face high unemployment and poverty rates. In that context, ongoing efforts to reform the subsidy system and replace it with a more targeted social welfare system are commendable.

"This visit has given me the opportunity to participate in the 5th regional conference of finance ministers and central bank governors of the Maghreb, co-hosted by the Central Bank of Mauritania and the IMF, which focused on economic integration and the role of foreign investment. I was, therefore, able to gauge the efforts under way to promote regional integration. I was pleased to hold discussions on this topic with government officials and private-sector representatives from all five Maghreb countries: Algeria, Libya, Mauritania, Morocco, and Tunisia.

"I am encouraged by the commitment of the authorities of the Maghreb countries to vigorously pursue a transparent and equitable model of growth and private-sector development against the backdrop of the social and political transformation taking place across the region. This change is needed to bolster job creation and ensure that the benefits of growth are better shared by all, despite the fragile global economic environment. A key priority in this area is to improve the region's business and investment climate to create an

environment that supports innovation, entrepreneurship, and job creation. This will allow the private sector—small- and medium-sized enterprises, in particular—to be at the center of economic development to help spur the productive potential of the people of the Maghreb. In that regard, I am heartened by the imminent start-up of the Maghreb Bank for Investment and Foreign Trade (MBICE), which will facilitate Maghrebian private sector investment.

“Further, fostering investment from abroad is an important part of this economic model. To attract more foreign investment, countries in the region should accelerate their efforts to integrate, including by opening up foreign direct investment regimes. The region should also continue to diversify its sources and sectors for foreign direct investment.

“I would like to thank the government and the Mauritanian people for their gracious hospitality.”

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