

Statement by IMF Managing Director Christine Lagarde on the Republic of Yemen

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Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), issued the following statement after a meeting with H.E. Abd Rabbuh Mansur Hadi, President of the Republic of Yemen, in Washington today:

"It was a pleasure to meet President Hadi and his delegation. Yemen has made significant progress towards macroeconomic stability and political transition under difficult circumstances. President Hadi and I discussed the urgent need to consolidate the fledging recovery, promote strong growth and accelerate job creation.

"As set out in the Government's Transitional Plan, achieving these goals requires addressing difficult long standing challenges, including increasing pro-growth and pro-poor expenditures and shifting resources gradually from untargeted energy subsidies towards social transfers to the poor and infrastructure investment. At the same time, it is important to continue to improve governance, and to develop the financial sector and preserve its stability, so that the private sector can expand.

"I congratulated President Hadi on his strong leadership in supporting Yemen's reform agenda, including the reduction of distortions in the energy sector with the recent unification of diesel prices, and efforts to increase non-hydrocarbon revenue, and emphasized the need to sustain and build on this progress. Advancing Yemen's reform agenda will also require increased disbursement of donor funding, including for the budget in support of a sound macroeconomic framework. The IMF will remain in close dialogue with the authorities on how to continue to sustain their reforms."

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