

## Statement by IMF Deputy Managing Director Min Zhu at the Conclusion of his Visit to Saudi Arabia

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Mr. Min Zhu, Deputy Managing Director of the International Monetary Fund (IMF), visited Riyadh December 2-4, 2013 to meet with the Saudi Arabian authorities and to participate in a conference on *'The Private Sector in the Middle East—How Can It Contribute More to Growth?'*, co-hosted by the Council of Saudi Chambers, the International Financial Corporation (IFC), and the IMF.

During his visit, Mr. Zhu met with Mr. Al-Assaf, Minister of Finance; Mr. Al-Jasser, Minister of Economy and Planning and Mr. Almubarak, Governor of SAMA, as well as other government officials, academics, and representatives of the private sector.

Mr. Zhu issued the following statement in Riyadh at the conclusion of his visit:

"It has been a great pleasure to discuss Saudi Arabia's economic prospects with Minister Al-Assaf, Minister Al-Jasser, and Governor Almubarak. Saudi Arabia has been one of the fastest growing G-20 countries in recent years. The increase in oil revenues has successfully been used to support growth in the non-oil sector. We expect growth to accelerate to 4.4 percent in 2014, from 3.6 percent in 2013, with growth in the non-oil sector remaining robust at 5 percent. With some 1.5–2 million nationals likely to enter the labor force over the next decade, a large increase in the absorption of nationals into private sector jobs will be needed to avoid an increase in unemployment. It will therefore be important to increase their ability to compete for jobs in the private sector. In this regard, it is important to note the authorities' efforts to promote the employment of Saudis, in particular women.

"The conference provided a unique opportunity to hear first hand from the business community, whose role is crucial for progress and economic development in the region. The private sector in the Middle East and North Africa has lacked the dynamism to propel growth to the levels seen in other regions of the world. The number of jobs being created is currently

not sufficient to absorb the increasing number of new entrants into the labor market, which has resulted in higher unemployment rates than in other regions, overall and particularly for young people, where 1 in 4 are without work.

"Businesses should work hand-in-hand with governments to ensure constraints are identified and reforms effectively enacted. The overriding objective is to make the economies of the Middle East more dynamic, competitive, and fair. The ingenuity of the private sector needs to be harnessed and opportunities opened for all. The IMF is ready to work with countries in the region to promote the role of the private sector in creating jobs, especially for the younger generations.

"I would like to thank the Council of Saudi Chambers and the IFC for co-hosting this conference with the IMF and contributing to the high quality of discussions."

## **IMF COMMUNICATIONS DEPARTMENT**

Public Affairs

E-mail: [publicaffairs@imf.org](mailto:publicaffairs@imf.org)

Fax: 202-623-6220

Media Relations

E-mail: [media@imf.org](mailto:media@imf.org)

Phone: 202-623-7100