

**FOR
INFORMATION**

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To: Members of the Executive Board

From: The Secretary

Subject: **Mr. Zhang's Report to the Executive Board on His Visit to France, the United Kingdom, and Saudi Arabia—February 27–March 5, 2020**

Board Action: Executive Directors' **information**

**Deputy Managing Director Tao Zhang's Report to the Executive Board
on His Visit to France, the United Kingdom, and Saudi Arabia
February 27–March 5, 2020**

1. I started my trip in Europe, where, as an observer, I attended the inaugural Board meeting of the Global Center on Adaptation, hosted by the Agence Francaise de Developpement. Ban Ki-Moon co-chaired the half-day session, which featured an active discussion of countries' efforts to adapt to climate change. In attendance were ministers covering the relevant subjects from Bangladesh, France, Germany, Netherlands, Norway, and Sweden, as well as representatives of other countries including China and Philippines, and private-sector participants as well. After Paris, I participated in a one-day conference in London on "China's Trade and Financial Globalization," co-sponsored by the LSE, the Bank of England, and the Tsinghua School of Economics and Management. There I delivered a keynote address on central bank digital currencies, which set the stage for two policy panels on the same topic.

2. Following this brief stop in Europe, I visited Saudi Arabia for three days, accompanied by Executive Director Mr. Mouminah. I had the opportunity to meet Finance Minister Aljadaan, Saudi Arabian Monetary Authority (SAMA) Governor Alkholifey, Governor of the General Authority of Zakat and Tax Abanmi, and other senior officials, as well as representatives of the business sector, including the Chairman of the Saudi Arabian Basic Industry Corporation (SABIC, one of the world's largest petrochemicals company) and some young Saudi entrepreneurs. I also participated in the G20 Thematic Workshop on Government Finance and Public Debt Statistics organized jointly by the Fund and the Saudi Ministry of Finance.

3. The Finance Minister, SAMA Governor, and the Governor of the General Authority of Zakat and Tax were all very appreciative of the policy and TA support the Fund is providing to the domestic reform program, as well as the ongoing support to their G20 Presidency. The G-20 workshop was an excellent collaboration between the IMF and the Saudi authorities and a chance for us to continue to emphasize the critical role of good fiscal and public debt statistics in improving fiscal policy making.

4. The authorities were upbeat about near-term prospects for the nonoil economy, although they were concerned about the downside risks from COVID-19, which was at the center of most of my discussions. At the time of my visit, the number of cases in Saudi Arabia was still low and the authorities had imposed some travel restrictions to try and limit the spread of the virus. Oil prices were under pressure given the decline in oil demand (and, of course, moved more sharply downward in the last few days).

5. The authorities were also very interested in discussing the global approach to reducing carbon emissions and the Fund's policy advice in this area. During my visit to SABIC, the Chairman and other senior management emphasized the significant investments they are making in carbon-capture technology and continued to promote the idea of a carbon-circular economy, which is one of the themes of Saudi Arabia's G-20 Presidency.

6. Lastly, I would like to thank the authorities and Mr. Mouminah for their hospitality during my visit.