

The Governor of the Central Bank of Tunisia participates in works of the annual assemblies of the IMF and the World Bank

Istanbul, 6 and 7 October 2009

The open meetings of the annual assemblies of the IMF and the World Bank started on 7 October 2009 in Istanbul. Tunisia, represented by Mr. Taoufik Baccar, Governor of the Central Bank of Tunisia presided over in this framework the afternoon session which was marked in particular by intervention of many governors of countries member of the IMF and the world Bank who stressed the need to boost international cooperation, re-consider international organizations' mandate and further mobilize means to help developing countries. Many delegates focused on the need to pursue policies of budget recovery and monetary policy easing and to avoid recourse to protectionism in a way to gather conditions for sustainable balanced and lasting growth.

Furthermore and apart from these works, the Governor of the Central Bank of Tunisia met with managers of the main international banks. These meetings dealt with the latest developments noticed on the international financial markets, notably on opportunities for access of emerging countries to international capital markets. They also revealed that the situation is gradually resuming normal conditions; besides, risk premiums applied to bond issues launched recently by countries comparable to Tunisia posted a sharp drop, though it remains slightly above levels recorded before the crisis.

Boosted with its capacity to face external chocks, Tunisia can take advantage, on time, from return to normal conditions on the markets, and seize forthcoming opportunities given it enjoys more than ever a good appreciation of risks by the markets, as shown in the ongoing decrease of its credit margins on the secondary market and this thanks to pursuit of reforms stimulated by President Zine El Abidine Ben Ali.

On the other hand, the Governor of the Central Bank of Tunisia met with Mr. Jaime Caruana, Managing Director of the Bank for international settlements and discussed issues tied to lessons drawn from the international financial crisis as well as the main pillars of reform of the world financial architecture. In this framework, the discussion dealt with the expected role of central banks that is called to go beyond price stability and banking supervision to cover overall financial market stability and macro-prudential control.

The Annual Assemble of the World Bank and The International Monetary Fund

**Istanbul- Turkey
6 and 7 October 2009**

Tunisia vice chairman of the IMF and the IBRD annual meetings

Tunisia participates in the annual assemblies of the international monetary fund (IMF) and the World Bank, the open meetings of which start on Tuesday 6 October 2009 in Istanbul. Tunisia was designated for vice chairmanship of these assemblies.

The Tunisian delegation to the IMF which was led by Mr. Taoufik Baccar, Governor of the Central Bank of Tunisia, took part in preparatory works of these assemblies and had an intensive activity.

Meeting of the international monetary and financial committee, in which the Governor took part and in which the IMF Managing Director as well as ministers and governors of developed and emerging countries are members, focused mainly on the world economic and financial situation in 2009 and perspectives for 2010 on the one hand; and reform of IMF governance on the other.

As for the first issue, stress was put on the fact that the world economy starts to show signs of recovery, nevertheless there was a common agreement on the need to keep being watchful and to pursue the programme of recovery and support to economies.

Thus, recovery programmes should continue as long as -return to growth is irreversible - is far from being a conviction. Besides, recovery measures must be taken on time and without delay to avoid accumulation of indebtedness and inflation problems.

Risks that are still weighting on the world growth are tied to unemployment, the worsening of which can not help private consumption relay public efforts to support growth.

As for reform of IMF governance, the discussion highlighted weight of the emerging countries and their greater implication in IMF governance.

Apart from works of the committee, the Governor of the BCT met with Mr. Olivier Blanchard, chief economist of the IMF and many other governors of Central Banks , notably, Mr. Christian Noyer, Governor of the Bank of France.

In his participation in the meeting of the Board members of the group in the IMF and the World Bank, the Governor confirmed Tunisia's wish to see reinforcing of quotas and voting rights of emerging countries and their better implication in decision making process.

The meeting with Mr. Masood Ahmed, Manager of Middle East and Central Asian countries' department dealt with the economic and financial evolution in Tunisia over 2009 and perspectives for 2010. The Governor presented pillars of the strategy set up in Tunisia on initiative of the President of the Republic, to better control effects of the crisis on the Tunisian economy.

Management of the IMF department showed relevance of the Tunisian approach in facing up the crisis, stressing the IMF support to the programme of reform initiated by Tunisia, notably in monetary and financial areas.