
IMF ENCOURAGES ALBANIA TO FURTHER ADVANCE STRUCTURAL REFORMS

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The International Monetary Fund (IMF) said the Albanian authorities should use the current favourable economic environment to further advance policies and structural reforms to entrench macroeconomic stability, build buffers, and foster sustainable and inclusive growth.

Albania should continue additional fiscal consolidation to build stronger buffers, lower the fiscal deficit further and accelerate the reduction of public debt, the executive board of the IMF said in a statement late on Monday, after it concluded an 2018 Article IV consultation with Albania.

Directors recommended containing fiscal risks, including those stemming from public partnerships (PPPs), the IMF executive board noted.

The IMF also highlighted the need to consolidate and strengthen the decision processes in public investment management and underscored the importance of ensuring value for money for PPP projects through competitive bidding.

The executive board called for strong measures to address the bottlenecks to credit growth and to improve the effectiveness of monetary transmission.

They encouraged the authorities to expedite the implementation of de measures, and to address structural weaknesses in the provision of credit, including continued high NPLs. Strengthening property rights and insolvency regimes will be helpful in this regard, the IMF added.

IMF's executive board called for resolute structural reforms to improve the business climate, with emphasis on strengthening the rule of law.

Welcoming the progress thus far, they underscored that it is important to complete the ongoing judicial reform and strengthen anti efforts. Directors emphasized the need to reduce the pervasive informality, by maintaining a simple and fair tax system, sustaining improvements in tax collection, and by increasing the quality of public services, the IMF noted.

Economic growth is estimated at 4.2% in 2018, the fFund said, adding that the growth is projected to stay close to this level over the medium term, supported by stronger exports, including tourism, and investments in infrastructure.

However, Albanias gross domestic product (GDP) is expected to slow down to 3.7% in 2019.

The exchange rate has appreciated sharply since March 2018, putting downward pressure on inflation, which is expected to rise gradually to reach its 3% target by 2021, the statement noted.

<https://seenews.com/news/imf-encourages-albania-to-further-advance-structural-reforms-640911#sthash.xIUaeZq1.dpuf>

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