



MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

QUARTERLY NEWSLETTER

August – October 2024

IMF | METAC

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Key Highlights

This Fall, METAC celebrates its **20th Anniversary**. The Center was inaugurated in Beirut on 25 October 2004. Some of METAC’s capacity development achievements as well as recently introduced workstreams are highlighted in a dedicated anniversary booklet: [Celebrating 20 Years of Building Macroeconomic Capacity in the Middle East and North Africa](#).

We look forward to celebrate METAC’s achievements with our member countries, development partners, and IMF colleagues at the upcoming **Anniversary Event Good Governance for Economic Resilience** in Cairo, Egypt. It includes a high-level seminar on *Building Robust Governance Frameworks* on December 3 and *METAC’s 20th Anniversary Conference* on December 4. The event will highlight METAC capacity development successes, challenges, and partnerships over the past two decades.

METAC had to cancel or postpone several activities due to the escalation of the regional conflict into Lebanon, which has caused tremendous suffering, destruction, and displacement. It also resulted in mission travel disruptions and a renewed relocation of METAC’s team. METAC has flexibly adapted its workplan to the new circumstances and is committed to maintaining its services to member countries. Despite the challenging circumstances, METAC delivered 24 country CD activities, four webinars and four regional workshops (see chart below) in the second quarter of FY25.

We are pleased to announce that Saudi Arabia officially joined METAC as development partner. We would like to thank the Saudi Arabian authorities for supporting capacity building and strong economic institutions in the Middle East and North Africa. We look forward to a fruitful collaboration.

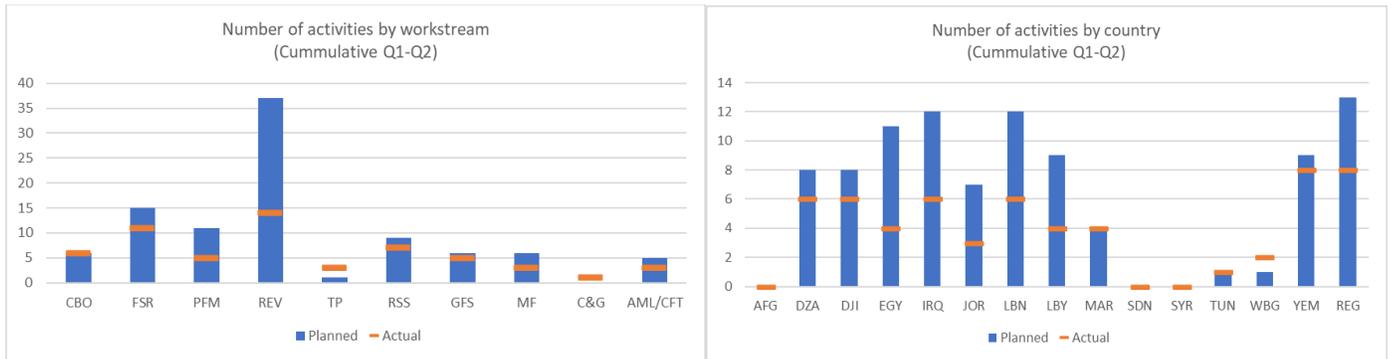
DEVELOPMENT PARTNERS



MEMBERS



Capacity Development Activities May to October 2024



Acronyms: DZA: Algeria; DJI: Djibouti; EGY: Egypt; IRQ: Iraq; JOR: Jordan; LBN: Lebanon; LBY: Libya; MAR: Morocco; TUN: Tunisia; YMN: Yemen; REG: Regional Activities.

CBO: Central Bank Operations; FSR: Financial Supervision and Regulation; PFM: Public Financial Management; REV: Revenue Administration; RSS: Real Sector Statistics; MF: Macroeconomic Frameworks; GFS: Government Finance Statistics; C&G: Climate and Gender; AML/CFT: Anti-Money Laundering & Combating the Financing of Terrorism.

Regional Workshops

CEF Course on Monetary Policy Implementation Tools

(20-24 October | Kuwait)

METAC and the IMF Monetary and Capital Markets Department (MCM) provided a course at CEF-Kuwait on monetary policy implementation tools. Course participants learned how to use advanced techniques to forecast domestic liquidity and autonomous factors in a central bank and were introduced to central bank balance sheets stress testing. The delivery mode was hybrid, with hands-on workshops during the liquidity forecasting sessions. This allowed participants to utilize models with various degrees of complexity, while the



mission team provided technical guidance on operationalizing these models.

Peer-to-Peer Workshop: The Experience with Macro Forecasting and Policy Analysis in Middle Eastern and North African Central Banks

(14-15 October | Jordan)

In collaboration with IMF HQ and under the patronage of the Central Bank of Jordan, METAC organized a peer-to-peer workshop on Forecasting and Policy Analysis System (FPAS) practices in the



The governor of the Central Bank of Jordan, H.E. Dr. Adel Al-Sharkas, opens the peer-to-peer workshop.

region. Early FPAS adopters from Jordan, Algeria, Morocco, and Egypt, as well as Lebanon and Saudi Arabia as observers, convened to promote knowledge sharing and best practices related to FPAS frameworks. The workshop aimed to spur regional cooperation and laid the foundation for future technical collaboration and the establishment of a community of practice. The workshop was the first of its kind in the region. Follow-up events are planned in the coming year.

CEF Course – Macroeconomic Forecasting and Analysis

(23 September – 4 October | Kuwait)

In collaboration with IMF HQ and the CEF, METAC participated virtually in a CEF course on Macroeconomic Forecasting and Analysis, presented by the Institute for Capacity Development jointly with Bank Al-Maghrib. The course helped practitioners and central bankers to conduct econometric analysis and construct reliable forecasts by incorporating machine learning methods which have become popular for forecasting by revealing hidden trends from large data pools. Utilizing machine learning methods can enhance the quality of forecasting at the level of central bank and ministries.

CEF Course – Best Practices to Enhance the Effectiveness of Combating the Financing of Terrorism Frameworks

(22-26 September | Kuwait)

The AML/CFT Regional Advisor contributed to an IMF Legal Department workshop on Best Practices to Enhance the Effectiveness of Combatting the Financing of Terrorism (CFT) frameworks in Kuwait City, Kuwait. The workshop presentations and case studies discussed (1) improving the understanding of terrorist financing risk; (2) the role of the private sector in detecting and disrupting terrorist financing activities; (3) the production and use of terrorist financing financial intelligence to counter terrorism and terrorist financing; (4) investigating, prosecuting, and sanctioning terrorist financiers; (5) terrorism-related targeted financial sanctions; and (6) international cooperation in combating the financing

of terrorism. 33 representatives from central banks, financial intelligence units, AML/CFT supervisors, ministries of finance, anti-corruption agencies, and law enforcement authorities attended the workshop.



CEF Course – Measurement of the Non-Observed Economy

(16-19 September | Kuwait)

METAC delivered this course in collaboration with the IMF's Middle East Center for Economics and Finance (CEF) to 33 representatives from national statistical offices, central banks, and government ministries, training them on developing and improving the methods for measuring the non-observed economy (NOE) in line with international standards and best practices. The workshop helped participants to have a better understanding of the NOE types, methods, and data sources as well as its crucial role to ensure exhaustiveness of the GDP estimates.



Webinars

Empowering Women for Economic Growth (12 September)



Gender equality is a powerful engine for economic growth and resilience. This webinar introduced METAC's event series on Gender Economics and provided a regional overview of key gender gaps and trends among METAC's member countries. Drawing on recent IMF research, it reviewed evidence highlighting the impact of gender inequality on the macroeconomy and the potential economic gains from closing gender gaps. The introductory webinar was attended by 91 participants who expressed interest in a diverse range of gender issues during the Q&A session. Participants were particularly interested in fiscal issues, such as gender-responsive budgeting and the impact of fiscal policies on women.

Climate Risk, Green Finance and Policy Options for the Financial Sector in the Middle East and Central Asia (24 September)



The financial sectors in the Middle East and Central Asia should play an important role in supporting the region's climate policies. This webinar evaluated the impact of climate change on banking institutions

in the region. It discussed the size and nature of regional financing needs for adaptation and mitigation as well as opportunities and challenges for the development of green finance. The webinar was attended by 140 participants who actively engaged with the presenter, Jerome Vacher from the IMF's Middle East and Central Asia Department, in the Q&A session. Mr. Vacher explained how the IMF can assist countries with improving the market environment for green finance and highlighted the importance of data availability and quality for considering climate risks in bank's portfolios.

The Growth Potential of Closing Labor Market Gaps and Increasing Women's Participation in Iraq (1 October)



The MENA region has the potential to convert demographic challenges into opportunities for economic expansion by leveraging its labor force. With one of the lowest rates of female labor force participation and notable skills gaps, implementing labor and education reforms to boost women's role in the economy can significantly advance private sector development and economic output. This webinar was based on the case of Iraq, highlighting imbalances in Iraq's labor market, drivers of informality, and impediments to women's participation and mobility. The presenters quantified the growth benefits of closing gaps vis-à-vis peer countries and outline key policy priorities. The presenters, Gazi Shbaikat and Ghadeer Noufal, answered participants' questions about the drivers of informalities, legal obstacles for female labor force participation in Iraq, and what the government can do to make jobs in the private sector more attractive for women.

Boosting Female Employment Opportunities in Jordan (16 October)



Despite high levels of education, female labor force participation in Jordan has been historically low and unemployment high. This webinar discussed

structural and legal impediments that contribute to gender disparities in Jordan's labor market participation. It highlighted labor market and regulatory characteristics in Jordan and outlined key reform priorities. The 56 webinar participants had a vivid discussion with the presenter, Rayah Al-Farah from the IMF Middle East and Central Asia Department, during the Q&A session, discussing how a conducive regulatory environment, and the provision of childcare and transportation could incentivize higher female labor market participation in Jordan. The Q&A session also elaborated on how remote jobs, flexible work arrangements, quotas, or the removal of structural and legal impediments could spur female employment.

Technical Assistance and Training

Central Bank Operations

Morocco

Assist the transition to a more flexible exchange rate regime

A joint Monetary and Capital Markets Department and METAC team delivered a technical assistance mission to the Bank Al-Maghrib (BAM) to provide guidance on the next phase in the gradual transition to a more flexible exchange rate regime. The mission had a virtual component (during 16-20 September) followed by an in-person part in Rabat, Morocco (14-18 October). First, the mission team evaluated the key components required for the development of foreign exchange (FX) hedging markets, highlighting legal, fiscal, economic, and certification challenges. Second, it proposed an alternative methodology for the reference rate and an FX intervention strategy for the next phase towards a more flexible exchange rate regime. Finally, the mission assessed banks', large importers/exporters', and SMEs' preparedness for higher exchange rate flexibility.

Financial Supervision and Regulation

Jordan

Developing regulation on Interest Rate Risk in the Banking Book (IRRBB)

The project started on 13-17 October with a workshop aiming to build supervisors' knowledge on the topic to help the Central Bank of Jordan (CBJ) to develop the regulation recommended by Jordan's Financial System Stability Assessment FSAP report, issued in April 2023. The workshop covered the key concepts of the Interest Rate Risk in the Banking Book (IRRBB) and presented the measurement



approaches. It also presented the Basel Committee's principles for banks and the supervisor on interest rate risk and discussed its integration in the Supervisory Review Process and its impact on capital surcharge. The mission agreed with the CBJ to produce a first draft of IRRBB regulation that METAC will review in a prospective mission in early FY26. This will help strengthen banks' management and supervisory assessment of interest rate risk which became a supervisory priority amid a higher interest rate environment.

Developing SRP Risk Rating Methodology for Banks

METAC continued with the CBJ the multi-step medium-term project on developing SRP risk rating methodology for banks, which will be conducted virtually until the end of fiscal year 2025. The virtual activity will be followed by an in-person mission in early FY26 to finalize the overall SRP architecture, the various building blocks and launch the testing process. During October 20-30, METAC reviewed the first two chapters of the rating methodology (i) SRP overall architecture and (ii) credit risk. Other chapters on liquidity, operational risk, internal control and governance, profitability and business model, and market risk will follow in the coming months. The completion of this multi-step project will support the CBJ supervisory approach to move towards Risk-based Supervision, which will help address some of the FSAP report's recommendations on banking supervision.

Morocco

Developing Supervisory Guidance for the Review of Banks' Liquidity Reports

During 21-25 October, METAC assisted Bank Al Maghrib (BAM) in developing a first draft of internal guidelines to aid the supervisors in their review process of banks' Internal Liquidity Adequacy Assessment Process (ILAAP) reports. In its pursuit to implement Basel III requirements, the BAM introduced in 2014 the Liquidity Coverage Ratio requirement with the objective to promote banks' resilience to short-term liquidity risk. BAM recently developed a draft regulation on Net Stable Funding Ratio to mitigate funding risk over a longer horizon and prepared a draft regulation on ILAAP which set out supervisory expectations for banks' internal assessment of liquidity risk. The internal guidelines

for ILAAP are planned to be finalized with the help of METAC in February 2024. These guidelines will serve as a reference to guide supervisors in their dialogues with banks on the effectiveness of liquidity management, its governance, and the adequacy of liquidity buffers.



West Bank and Gaza

Enhancing Risk-Based Supervision with an updated Risk-Based Supervision Manual

During August 4-8, METAC supported the Palestine Monetary Authority in enhancing risk-based supervision by updating the risk-based supervision manual draft. This included defining the manual's structure, aligning it with the European Union's Supervisory Review and Evaluation Process, and refining the risk assessment system. The process involved revising risk categories from quantitative and qualitative angles, conducting reviews and training on Supervisory Review and Evaluation Process components.

Yemen

Implementing Pillar 1 of the Basel III Capital Adequacy Framework

During September 16-20, METAC supported the Central Bank of Yemen (CBY) in drafting the Pillar 1 regulation and develop corresponding reporting templates, aligning them with the draft regulation. The mission also discussed the regulatory issuance process and stages, and steps needed for conducting a quantitative impact study.

Developing risk management regulations

During October 19-23, a METAC mission assisted the CBY in developing risk management regulations

specific to its banking sector. The mission team presented key principles from the Basel Committee, guiding the CBY representatives in identifying significant risks in the Yemeni banking industry that require regulatory focus and specific requirements. The mission team also outlined the necessary approaches and processes to adapt these requirements to the banking industry. Discussions concluded with drafting a regulation framework for the Yemeni banking system, which the CBY representatives will further refine and develop.

Public Financial Management

Libya

Off-site mission in Tunis to strengthen strategic budget preparation

METAC facilitated a one-week workshop in during 6-10 October to support the Libyan Ministry of Finance in strengthening its macro-fiscal unit's role and capacity in strategic budget preparation. The workshop fostered cross-departmental collaboration, welcoming participants from various MoF units, who gained insights into medium-term fiscal frameworks (MTFF) and macro-fiscal planning. Sessions covered Libya's current budget process, underscored the MTFF's importance in supporting fiscal discipline, and emphasized aligning budget preparation with the MTFF. Participants expressed a strong interest in empowering the Macroeconomic Unit to play a central role in setting expenditure ceilings and producing macroeconomic parameters. The event concluded with a review of recommendations and next steps to bolster Libya's budget preparation and macro-fiscal capacity.

Revenue Administration

Djibouti

Supporting the reform management capacity of the tax administration

A workshop (22-26 September) on reform and project management provided skills to a team of 14 tax administration professionals who successfully completed the VITARA module on reform management. The mission recommended

establishing a dedicated reform management team as an important governance element. The mission also highlighted establishing a fully-fledged Large Taxpayers Office (LTO) as a key priority to improve revenue mobilization and advised on the immediate steps to be taken in this regard.



Iraq

Developing implementing instructions for Customs Valuation

During 6-10 October, METAC supported Iraq Customs in developing implementing instructions for Customs Valuation. These regulations will be essential to support the adoption of the amended Customs Law relating to Customs Valuation. A week of drafting (remote) was followed up with in-person validation of the document in English and Arabic with the Iraq Customs Legal Working Group during an off-site mission in Dubai, United Arab Emirates.

Libya

Developing a National Standard Operating Procedure for Libya Customs

METAC assisted Libya Customs in improving its clearance process with a hybrid mission (4-8 August field-based and 19 August – 6 September remote) to support the development of a National Standard Operating Procedure, which documents the new automated clearing process using ASYCUDA World. This document will be made available to both officers and traders to promote efficiency and transparency.

Yemen

Support on SoClass and Java computer language skills to enable better use of the ASYCUDA World customs system.

During the week of 6-10 October, METAC provided the Yemen Customs' IT staff with in-person training (off-site in Dubai), supplemented by a week of online training tailored to specific needs.

Compliance Improvement Plan for the banking sector

In a virtual help desk assignment during 1 July to 30 September, METAC worked with the Yemeni General Taxation Department (GTD) to complete the Compliance Improvement Plan for the growing banking sector. The Compliance Improvement Plan (CIP) is essential for the tax administration to better understand taxpayers and related risks, while identifying effective treatment strategies. Participants discussed critical areas for the CIP, including developing a risk profile for the banking sector, assessing compliance risks, establishing risk criteria, formulating treatment strategies, and considering stakeholder engagement. The discussions were marked by enthusiasm and active participation. The pilot CIP for the banking sector will serve as a model for future compliance programs in Yemen, enabling the GTD to expand its Compliance Risk Management practices to other high-risk industries. Additional IMF remote support will continue through the end of 2024 to assist with the implementation of the banking sector CIP.

Tax Policy

Djibouti

Establishing a new tax policy unit

A joint METAC – HQ remote mission assisted the Djiboutian Ministry of Budget during 17-30 September in establishing a new tax policy unit (TPU). The mission discussed the responsibilities of the planned TPU, international best practices, and the appropriate institutional framework to enable the TPU to conduct a reliable and independent tax policy analysis and formulate reform proposals. The mission tailored its recommendations to Djibouti's institutional arrangements and called for formalizing

the creation of the TPU through legislation to ensure transparency, accountability, and a meaningful mandate of the TPU.

Lebanon

Review of the draft income tax law

Continuing the ongoing engagement to assist Lebanon in developing a new income tax law, a joint METAC – HQ mission during 14-18 October conducted a review of the draft income tax law and suggested legal drafting and tax policy options.

Yemen

Improving income and consumption tax policy

In response to a request from the Yemeni tax authorities, a joint METAC – HQ virtual capacity development mission during 18-31 August reviewed and assessed the tax system and provided recommendations for revenue mobilizing measures and tax reforms. The mission held discussions with the authorities about ongoing policy reforms and related difficulties, the mission's recommendations, and the way forward.

Government Finance Statistics and Public Sector Debt Statistics

Djibouti

Compiling government finance statistics

METAC conducted a technical assistance mission on government finance statistics (GFS) and public sector debt statistics (PSDS) for Djibouti's Ministry of Budget during 15-29 August. The mission had a two-fold purpose: (1) to assess the current conditions for GFS compilation in the Ministry of Budget and (2) to raise the authorities' awareness of the main GFSM 2014 concepts and compilation practices. The Ministry of Budget organized the workshop "Atelier de réflexion sur les statistiques de finances publiques" with a large number of participants from the Ministry of Budget and other institutions. The mission provided an overview of the GFSM 2014 and set a plan for aligning the statistical reporting with international standards and discussed current conditions for a re-start of the GFS compilation. The mission was followed by virtual meetings during September and October.

Egypt

Assistance on Fiscal reporting

Following a request from the Ministry of Finance of the Arab Republic of Egypt, a technical assistance mission to strengthen fiscal reporting was conducted during 31 July – 13 August. The joint mission by METAC and the IMF's Fiscal Affairs and Statistics departments focused on three main objectives: (i) classifying the 59 Economic Authorities in accordance with GFSM 2014, (ii) consolidating the Chart of Accounts of Economic Authorities for compiling General Government Statistics, and (iii) sharing country experiences and providing recommendations on the institutional set up to support reform implementation. The mission also assisted the Ministry of Finance in its efforts to achieve the structural benchmark under the Extended Fund Facility. The work will continue, and the outputs will be integrated into the new public finance procedures and reporting.

Yemen

Compilation of GFS/PSDS data

During 29 September – 3 October 3 a GFS/PSDS in-person workshop and follow-up mission on data compiled for the Yemeni authorities took place in Cairo, Egypt. The authorities demonstrated high-level engagement and sent a 15-member team from three institutions (Central Bank, Ministry of Finance and MOPIC). The workshop assisted Yemeni officials in building capacity for assessing the quality of debt time series, check integration of above-the-line and below-the-line data, review quality and coverage of the compiled GFS and raise awareness of international standards and requirements for data reporting to WB/IMF data bases. Presentations on specific topics were delivered, with an increased attention on the practical demonstration and hands-on work.

Before the in-person mission, a series of virtual meetings with authorities focused on preparing the data, assess inconsistencies and data gaps. The authorities received extensive training regarding the submission process and requirements for Quarterly External Debt Statistics, Quarterly Public Sector Debt Statistics, and the GFS Survey Questionnaire along with preliminary compilation, including data

and metadata. Considering the deficiencies detected in the statistical production, the mission presented several techniques for data validation and introduced key concepts for internal work procedures based on best practices from other economies. The authorities appreciated the introduction of these new elements of statistical production and committed to further developing and integrating them within their institutions. The mission will be complemented with virtual meetings of up to 40 (forty) hours between September–and December 2024.

Real Sector Statistics

Egypt

Compiling the 2019/20 Supply and Use Tables

During August 25-29, a mission assisted the Egyptian Central Agency for Public Mobilization and Statistics (CAPMAS) in compiling the 2019/20 Supply and Use Tables (SUT). Key outcomes were: i) the completion of manual balancing of all products; ii) developing control aggregate tables for all industries; and iii) setup of the IMF's automated balancing tool to ensure full SUT balancing. CAPMAS plans to publish the SUT in October 2024.

Jordan

Improving quarterly GDP estimates and using administrative source data in National Accounts compilation

In response to a request from the Department of Statistics of Jordan, a METAC mission assisted the national accounts staff on improving the quarterly GDP estimates and in using administrative source data in national accounts compilation during 20-31 October. In addition, the mission provided guidance on the backcasting methods for the implementation of International Standard Industrial Classification



of all Economic Activities (ISIC) Rev 4 in the quarterly GDP estimates, series 2008-2024.

West Bank and Gaza

Improving quarterly GDP compilation

A remote technical assistance mission during 6-17 October worked with the Palestinian Central Bureau of Statistics on further improving quarterly GDP compilation and benchmarking techniques. In addition, training on the quarterly national accounts methodology was provided to enhance staff capacities. The mission also followed up on previous missions' recommendations and plans for compiling a new supply and use table.

Anti-Money Laundering & Combating the Financing of Terrorism

Algeria

Enhancing Supervisors' Understanding of ML/TF Risk

The AML/CFT Regional Advisor participated in three virtual CD sessions conducted during the period August to assist the Bank of Algeria in enhancing AML/CFT risk-based supervision of the financial institutions under its purview. The sessions focused on the understanding of the main Money Laundering (ML) threats affecting the banking sector and the development of risk assessment tools for supervisors. The sessions also covered risk mitigation indicators and assessing strengths and weaknesses of internal controls.

Technical Assistance Reports

The following reports were uploaded to the IMF's Partners Connect website. Steering Committee members of countries and donor partners who have signed a confidentiality agreement with the IMF may access the reports at [TA Reports \(imfconnect.org\)](https://imfconnect.org):

Revenue Administration

Djibouti: Rapport de la Mission d'Assistance Technique auprès de la Direction Générale des Douanes et Droits Indirects en matière de Gestion Stratégique et Gestion de la Réforme – July 2024

Iraq: Completing the New Organizational Model of the General Commission of Taxes – August 2024

Iraq: Drafting of Post Clearance Audit and Temporary Export Regulations – September 2024

Iraq: Strengthening the Supportive Framework for Self-Assessment – September 2024

Lebanon: Joint Enforcement Training with ICMPD – August 2024

Lebanon: Workshop Summary - Review Customs Legislation – August 2024

Libya: Redesign of Income Tax Forms – August 2024

Morocco: Optimisation de la sélectivité dynamique grâce à l'intelligence artificielle – September 2024

Statistics

Lebanon: Developing a Construction Costs Index (CCI) – July 2024

Analytical Corner

Flagship Publications

[World Economic Outlook: Policy Pivot, Rising Threats](#) (October 2024)

Global growth is expected to remain stable yet underwhelming. Five years from now, global growth should reach 3.1 percent—a mediocre performance compared with the pre-pandemic average. Notable revisions were made since April 2024, with upgrades to the forecast for the United States

offsetting downgrades to those for other advanced economies, in particular, the largest European countries. Likewise, disruptions to production and shipping of commodities (especially oil), conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. These have been compensated for by upgrades to the forecast for emerging Asia, where

surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth, a trend supported by substantial public investment in China and India.

World Economic Outlook Projections

(Real GDP growth, annual percent change)

	2023	2024	2025
World Output	3.3	3.2	3.2
Advanced Economies	1.7	1.8	1.8
United States	2.9	2.8	2.2
Euro Area	0.4	0.8	1.2
↑ Germany	-0.3	0.0	0.8
↑ France	1.1	1.1	1.1
↑ Japan	1.7	0.3	1.1
Emerging Market and Developing Economies	4.4	4.2	4.2
Emerging and Developing Asia	5.7	5.3	5.0
↑ China	5.2	4.8	4.5
↑ India	8.2	7.0	6.5
Emerging and Developing Europe	3.3	3.2	2.2
Latin America and the Caribbean	2.2	2.1	2.5
↑ Brazil	2.9	3.0	2.2
↑ Mexico	3.2	1.5	1.3
Middle East and Central Asia	2.1	2.4	3.9
↑ Saudi Arabia	-0.8	1.5	4.6
Sub-Saharan Africa	3.6	3.6	4.2
Emerging Market and Middle-Income Economies	4.4	4.2	4.2
Low-Income Developing Countries	4.1	4.0	4.7

Source: IMF, October 2024 World Economic Outlook.

[Regional Economic Outlook for the Middle East and Central Asia: Navigating the Evolving Geoeconomic Landscape](#) (October 2024)

The global economic landscape faces significant challenges, including from geoeconomic fragmentation. In the Middle East and North Africa and Caucasus and Central Asia regions, economies are facing shifting trade patterns while also dealing with frequent shocks from conflicts and climate change. Moreover, medium-term growth prospects have deteriorated over the past two decades and are projected to remain subdued. Decisive reforms are needed to place countries on the path to a more resilient and inclusive economic future.

[Fiscal Monitor: Putting a Lid on Public Debt](#) (October 2024)

Global public debt is elevated. It is projected to exceed US\$100 trillion in 2024 and will rise over the medium term. Risks to the debt outlook are heavily tilted to the upside. In a severely adverse scenario,

global debt is estimated to be nearly 20 percentage points of GDP higher three years ahead than the baseline projection, reaching 115 percent of GDP. Much larger fiscal adjustments than currently planned are required to stabilize (or reduce) debt with high probability. Rebuilding fiscal buffers in a growth-friendly manner and strengthening fiscal governance are essential to ensure sustainable public finances and financial stability.

[Global Financial Stability Report: Steadying the Course: Uncertainty, Artificial Intelligence, and Financial Stability](#) (October 2024)

Although near-term financial stability risks have remained contained, mounting vulnerabilities could worsen future downside risks by amplifying shocks, which have become more probable because of the widening disconnect between elevated economic uncertainty and low financial volatility. There is evidence that high macroeconomic uncertainty can threaten macro-financial stability by exacerbating downside tail risks to markets, credit supply, and GDP growth. Finally, the report assesses recent developments in Artificial Intelligence (AI) and Generative AI and their implications for capital markets. It presents new analytical work and results from a global outreach to market participants and regulators, delineates potential benefits and risks that may arise from the widespread adoption of these new technologies, and makes suggestions for policy responses.

Regional

[IMF-Supported Programs in Low-Income Countries: Fragile versus Non-Fragile States](#) (October 2024)

This paper examines the macroeconomic frameworks of IMF-supported programs with low-income countries from 2009 to 2022, focusing on how macroeconomic targets and their achievement differ between fragile and conflicted-affected states (FCS) and non-FCS. Key findings include similar program targets for FCS and non-FCS, optimism in all dimensions considered other than inflation, and no significant correlation between targets and outcomes. For variables other than inflation, country-independent targets equal to the mean or median outcomes of other programs outperform program projections as predictors of actual

outcomes. This underscores the challenges in setting realistic and program-specific targets in IMF-supported programs with low-income countries.

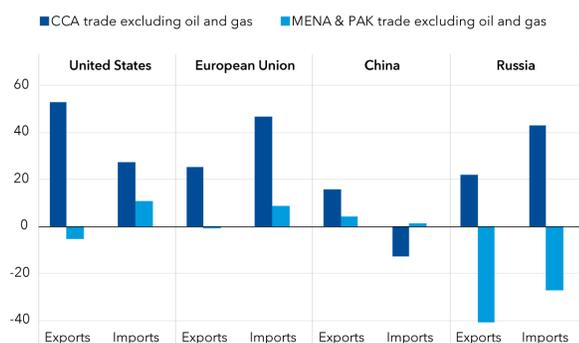
[IMF Blog: More Diversified Trade Can Make Middle East and Central Asia More Resilient](#) (October 2024)

Reducing trade barriers, easing regulatory constraints, and upgrading infrastructure can mitigate challenges and help countries leverage new opportunities.

Shifting trade patterns

The Caucasus and Central Asia has seen an increase in trade with several key trading partners since Russia's invasion of Ukraine.

Trade shares with partner countries, 2021-22
(percentage change)



Sources: CEPII BACI database; and IMF staff calculations.
Note: Percent change in the share of CCA, MENA and Pakistan, and Russia in exports and imports from/to selected trading partners between 2021 and 2022. CCA = Caucasus and Central Asia; MENA & PAK = Middle East and North Africa and Pakistan. **IMF**

[IMF Videos - Analytical Corner: The Nexus of Climate and Monetary Policy: Evidence from the Middle East and Central Asia](#)

During the Annual Meetings, the IMF's Analytical Corner features original analytical work from IMF staff who present their cutting-edge research. In this video, IMF staff present their paper on "The Nexus of Climate and Monetary Policy: Evidence from the Middle East and Central Asia". This paper investigates the effects of climate shocks on inflation and monetary policy in the Middle East and Central Asia region. The findings shed new light on the importance of considering climate-related supply shocks when designing monetary policy.

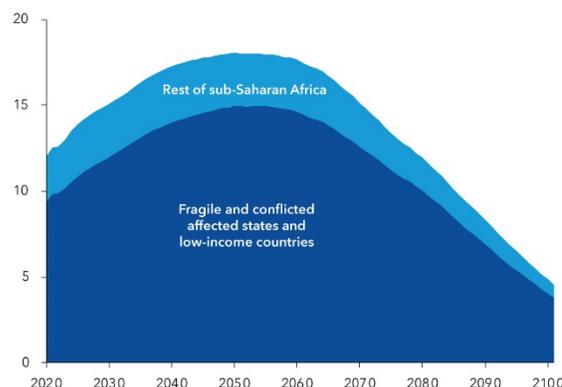
[Global Shocks Unfolding: Lessons from Fragile and Conflict-affected States](#)

This paper investigates the consequences of global shocks on a sample of low- and lower-middle-income countries with a particular focus on fragile and conflict-affected states (FCS). Examining different global shocks associated with commodity prices, external demand, and financing conditions, this paper establishes that FCS economies are more vulnerable to these shocks compared to non-FCS peers. The higher sensitivity is mainly driven by procyclical fiscal responses, aggravated by the lack of effective spending controls and timely access to financial sources.

[CHART OF THE WEEK: The Clock is Ticking on Sub-Saharan Africa's Urgent Job Creation Challenge](#)

Fragile, conflict-affected and low-income economies in sub-Saharan Africa need to create the most jobs

Estimated number of net additional jobs required per year, millions



Sources: UN World Population Prospects; ILO Labor Force Participation estimate; IMF staff calculations. **IMF**

Egypt

[Arab Republic of Egypt: Third Review Under the Extended Arrangement Under the Extended Fund Facility](#) (August 2024)

The Egyptian authorities' recent efforts to restore macroeconomic stability have started to yield positive results. Inflation remains elevated but is coming down. A flexible exchange rate regime remains a cornerstone of the authorities' program. However, the regional environment remains difficult,

and complex domestic policy challenges require decisive implementation of the authorities' reform program. Continued fiscal consolidation, with strengthened revenue mobilization, to create the space needed to expand social programs. Meaningfully advancing with the structural reform program would significantly improve growth prospects. Managing the resumption of capital inflows prudently will also be important to contain potential inflationary pressures and limit the risk of future external pressures.

Podcast: [Egypt: Stability Lays Groundwork for Transformation](#) (September 2024)

With all the instability in the Middle East and North Africa region of late, Egypt has nonetheless managed to reign in soaring inflation and win its largest-ever foreign investment. In this podcast, she says that while stabilizing its economy is positive,

Egypt's next big step is an economic transformation that will lift its private sector.

Jordan

[Jordan and IMF Reach Staff Level Agreement on the Second Review under the Extended Fund Facility](#) (October 2024)

All commitments for the second review under the program have been met, demonstrating the authorities' steadfast commitment to sound macro-economic policies and continued progress on reforms. Jordan continues to show resilience and maintains macro-economic stability, despite the headwinds caused by the intensifying conflict in the region. Jordan's economy is expected to grow by 2.3 percent in 2024 and 2.5 percent in 2025. However, strong and timely international support remains important to help Jordan face the external headwinds, and to continue to shoulder the cost of hosting a large number of Syrian refugees.

IMF Online Courses

General information is available at: <https://www.edx.org/school/imfx>. Registration for online courses, available to government officials and, in some cases, to the public can be accessed at: <http://imf.smartcatalogiq.com>

The IMF Institute offers online training to both member countries officials and the general public. Microlearning videos are available at: [IMF Institute Learning Channel - YouTube](#)



Activities Planned during November 2024 – January 2025

Country	Topic and Lead METAC Advisor	Date
Central Bank Operations – Mr. Stefaan Ide		
DZA	Central Bank collateral framework	TBD
IRQ	Monetary operations and liquidity monitoring	Nov
MAR	Monetary operations and liquidity forecasting	Jan
Financial Supervision and Regulation – Ms. Nehmat Hantas		
DZA	Developing regulation on operational risk	Dec
EGY	Enhancing regulation on Interest Rate Risk in the Banking Book (IRRBB)	Nov
JOR	Enhancing regulation on related parties' exposures	Jan
TUN	Developing framework for Domestic Systemically Important Banks (D-SIB)	Jan
Financial Supervision and Regulation – Ms. Lusine Margaryan		
IRQ	Enhancing Off-site supervision and developing risk matrices	Dec
WBG	SREP Development and Implementation	Nov
Public Financial Management – Mr. Kevork Baboyan		
EGY	Implementation of the Medium-term Budget Framework	Dec
IRQ	Treasury Single Account	Jan
REG	Cash management course at CEF Kuwait	Dec
WBG	Core Budget Functions	Jan
YMN	Expenditure controls	Jan
Tax Administration – Mr. Rosen Bachvarov		
DJI	Review of the draft strategic plan	Dec
DZA	Supporting the GDI in improving tax compliance in the oil and gas industry	Jan
EGY	Participation in HQ mission – Informal economy	Jan
JOR	Support ISTD in building analytical capacity	Jan
LBN	Data Analytics follow-up and reform strategy	Jan
Tax Administration – Ms. Sabine Corm		
IRQ	Review and redesign tax forms	Dec
	Review the Large Taxpayers criteria	Dec
LBY	Develop mandates for headquarters functions and field offices for the Libyan Tax Administration	Jan
	Joint METAC-LEG mission: Assist the general directorate of taxes in the development of a tax procedure code	Jan
REG	Joint FAD-METAC Kontaktu workshop	Nov-Dec
YMN	Follow up on organizational redesign	Nov
	Follow up on the CIP for the banking sector -Help Desk 3	Nov-Dec
	Joint METAC-LEG mission: Assist the general directorate of taxes in the development of a tax procedure code	Jan
Customs Administration – Mr. Andrew Allan		
DJI	Support for Customs - Donor Roundtable event	Jan
JOR	Authorized Economic Operator (AEO)/ Golden List Review	Dec
TUN	Upskilling in Python and Data Analytics	Dec
YMN	Java/SoClass language training	Nov
Tax Policy – Ms. Sarah Bou Atmeh		
IRQ	Tax policy diagnostic	Nov

LBN	Income tax reform	Dec
REG	Regional Tax policy workshop	Dec
Government Finance Statistics and Public Sector Debt Statistics – Mr. Amir Hadziomeragic		
JOR	Expand GFS coverage for General Government	Jan
MAR	GFS fundamental training	Dec
REG	Expand GFS coverage for General Government	Jan
Real Sector Statistics – Ms. Elirjeta Pepaj		
EGY	Input-output tables development	Nov-Dec
	Annual GDP estimates improvements	Jan
LBY	Development of the producer price Index	Nov
	Compilation of supply and use tables and improvement of national accounts	Dec-Jan
Macroeconomic Frameworks – Mr. Nasser Badra		
DZA	Forecasting and policy analysis system	Nov
EGY	Macroeconomic forecasting tool	TBD
IRQ	Macroeconomic forecasting tool	Dec
Anti-Money Laundering and Combating the Financing of Terrorism – Mr. Peter El Sharoni		
IND	EAG Plenary 41st plenary and Working Group Meetings	Nov
SAU	MENAFATF 39th plenary and Working Group Meetings	Nov

Note: OA: Outreach activity; REG: Regional activity

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