

Mutharika—that sub-Saharan Africa could grow by more than 5 percent in 2005. This bright forecast was thanks to the global economic recovery, better macroeconomic stability in many countries, rising commodity prices, and a recovery in agricultural production following severe droughts in 2003.

“Macroeconomic stabilization has borne fruit,” de Rato said. “Uganda and Tanzania, for example, are now reaping the benefits of sustained, sound policies and have seen economic growth rates averaging over 5 percent a year for the past five years.” But he warned that Africa still faced many risks, including “an unsteady policy environment.” And, although growth is improving, “even higher rates of growth are needed to make decisive advances in reducing poverty.”

De Rato called on African leaders to persevere with efforts to integrate their countries into the global economy. While there is “no single measure that can lift economic growth to the next level,” he said, there are some common building blocks that must be in place. These include reducing vulnerability and laying the foundation for reduced dependence on foreign assistance through sound macroeconomic policies; raising the productive capacity of the region’s economies, especially by promoting foreign direct investment; and

creating more effective institutions that are able to enforce property rights and the rule of law.

How the IMF can help

As for the IMF, de Rato said the institution can and will do more to help its low-income members raise living standards and fight poverty. Replying to critics who charge that the IMF has forced governments to cut budgets, in the process squeezing outlays on health care, education, and other social programs, he said that “the IMF will ensure that its programs and policy advice are supportive of higher levels of aid, including for the fight against HIV/AIDS and for strengthening much-needed public infrastructure.”

De Rato noted that a new study by the Independent Evaluation Office of the IMF’s concessional loan facility for poor countries will help the institution decide how it can become more effective



Ugandan President Museveni (right) greets de Rato.

Available on the web (www.imf.org)

Speech

“The Challenges Facing the IMF,” Agustín Carstens, IMF Deputy Managing Director, Canberra, Australia, July 27

Public Information Notices

04/71: IMF Concludes 2004 Article IV Consultation with Niger, July 19

04/72: IMF Concludes 2004 Article IV Consultation with the Republic of Congo, July 22

04/73: IMF Concludes 2004 Article IV Consultation with Maldives, July 23

04/74: IMF Concludes 2004 Article IV Consultation with the Republic of Poland, July 26

04/75: IMF Concludes 2004 Article IV Consultation with Romania, July 27

04/76: IMF Concludes 2004 Article IV Consultation with Tonga, July 29

04/77: IMF Concludes 2004 Article IV Consultation with the United States, July 30

04/78: IMF Concludes 2003 Article IV Consultation with Botswana, July 30

Press Releases

04/164: IMF Completes Third Review Under Uganda’s PRGF Arrangement and Reviews Noncomplying Disbursement, July 30

04/165: IMF Executive Board Completes Second Review Under Paraguay’s Stand-By Arrangement, August 2

04/166: IMF Managing Director Rodrigo de Rato’s Statement at the Conclusion of His Visit to Nigeria, August 3

04/167: IMF Executive Board Completes Final Review Under Stand-By Arrangement with the Former Yugoslav Republic of Macedonia and Approves \$11.7 Million Disbursement, August 3

04/168: IMF Managing Director Rodrigo de Rato’s Statement at the Conclusion of his Visit to Gabon, August 4

04/169: IMF Executive Board Approves 20-Month Stand-By Arrangement for the Republic of Croatia, August 4

04/170: Annual Meetings of the Boards of Governors of the IMF and World Bank, and Related Meetings and Events, to Be Held October 2–3, 2004, August 5

04/171: IMF Managing Director Rodrigo de Rato’s Statement at the Conclusion of His Visit to Uganda, August 6

04/172: IMF Completes Second Review Under Tanzania’s PRGF Arrangement and Approves \$4 Million Disbursement, August 6

04/173: Statement by IMF Managing Director Rodrigo de Rato on Turkey, August 6

04/174: IMF Completes Second Review Under Dominica’s PRGF Arrangement and Reviews Noncomplying Purchases and Disbursement, August 6

04/175: IMF Executive Board Approves Stand-By Arrangement for Bulgaria, August 6

04/176: IMF Executive Board Grants Waiver on Noncomplying Disbursement to Uruguay, August 13

PRGF = Poverty Reduction and Growth Facility