

### Jaime Caruana to Leave IMF for BIS

IMF Managing Director Dominique Strauss-Kahn announced in late November that Jaime Caruana, Financial Counsellor and Director of the IMF's Monetary and Capital Markets Department (MCM), would leave the Fund in April 2009 to become General Manager of the Bank for International Settlements (BIS).

Strauss-Kahn praised Caruana in the press statement, noting that he has been instrumental in strengthening the Fund's work on financial sector issues and on macro-financial linkages.

Until his departure, Caruana will continue to serve as Financial Counsellor but will relinquish his operational responsibilities as Director of MCM.

### Spain's Near-Term Prospects Are Somber, IMF Says

Spain's near-term prospects are "somber and uncertain," according to a statement by an IMF mission team in Madrid for the country's annual assessment. "After 15 years of impressive growth led by a housing boom, a gradual correction of accumulated imbalances got under way," the statement said, noting that the global financial crisis has accelerated Spain's slowdown.

"The authorities' response has been forceful and earlier than European Union partners, with market-based banking policies and substantial fiscal measures," the IMF statement said. "Embedding these short-run fiscal measures into a long-run consolidation plan could increase effectiveness and boost confidence."

But recovery in the medium term will also depend on the country's progress with implementing comprehensive structural reforms, the statement stressed, adding that, in absence of such reforms, "Spain could get stuck in a low-competitiveness, slow-growth, extended-deleveraging, and high-unemployment equilibrium, from which returning to lower public debt would be difficult."

### IMF Appoints New Human Resources Director

IMF Managing Director Dominique Strauss-Kahn has named Shirley Siegel as Director of the IMF's Human Resources Department.

From 2001 to 2007, Siegel was Assistant Deputy Minister in charge of Human Resources for the Canadian Department of National Defense, where she had responsibility for setting the human resource strategy for a civilian workforce of 24,000.

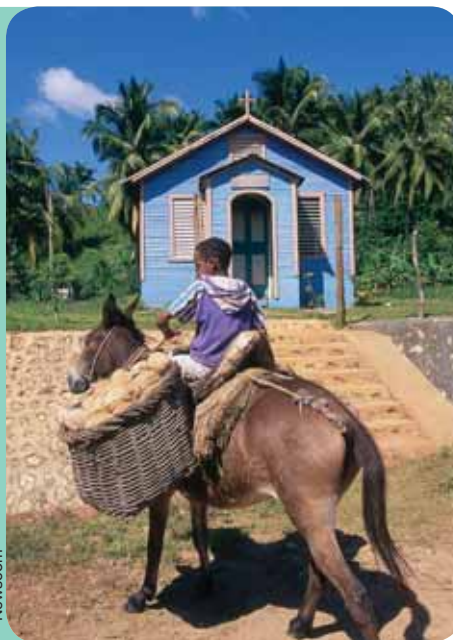
Siegel, a Canadian national, is expected to assume the post in mid-January 2009.

### Caribbean Outlook Revised Downward

IMF Managing Director Dominique Strauss-Kahn visited Costa Rica, the Dominican Republic, and Jamaica on December 8–11 during his first official tour of the Caribbean and Central America.

"The outlook for the Caribbean countries has been revised down in recent months," Strauss-Kahn said in an address to the Private Sector Organization of Jamaica in Kingston. "This is certainly true for Jamaica, where current expectations are for relatively flat growth this year and a modest recovery of about ½ percent in 2009."

Strauss-Kahn noted that the projected slowdown would likely reflect weaker foreign remittances and dampened activity in key sectors, such as tourism.



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### IMF Set to Lend Latvia \$2.4 Billion

The IMF announced plans to lend about \$2.4 billion to Latvia to support the country's ambitious plan for stabilizing the economy.

The loan, to be extended as a 27-month Stand-By Arrangement, is subject to final approval by the IMF's Executive Board but could be discussed before the end of this year under the Fund's fast-track emergency financing procedures.

The IMF-backed loan will enable Latvia's government to implement a strong package of policy measures aimed at stabilizing the economy. "The program aims to alleviate immediate liquidity pressures, restore long-term stability, and enhance competitiveness," IMF Managing Director Dominique Strauss-Kahn said in a press release.

### Africa Conference

The Tanzanian government and the IMF are jointly sponsoring a high-level conference in Dar es Salaam on March 10–11 to discuss how Africa can meet the challenge of sustaining and building on its recent economic successes and cope with the global downturn.

### IMF–World Bank Spring Meetings

The IMF and the World Bank Group will hold their Spring Meetings in Washington, D.C. on April 25–26. Look for complete coverage of the meetings on [www.imf.org](http://www.imf.org).