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**Statement by Mr. Al-Sayari
Saudi Arabia**

Statement to the International Monetary and Financial Committee
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The IMF continues to serve as the bedrock of global economic collaboration and financial stability, and the IMFC remains a vital forum for shaping the Fund’s strategic direction and building consensus among member countries. Multilateralism remains our most effective tool for tackling today’s shared challenges. The Fund must, therefore, continue its efforts to galvanize collective action while working closely with other international institutions to preserve global macro-financial stability. Saudi Arabia remains firmly committed to supporting multilateralism and stands ready to collaborate with all stakeholders to advance these shared priorities. We broadly agree with the strategic direction envisioned in the Managing Director’s Global Policy Agenda, which reaffirms the Fund’s core mission and outlines a forward-looking roadmap for the Fund at a time of profound global uncertainty. We welcome the productive deliberations at the IMFC Deputies Meeting, which resulted in the Diriyah Declaration that we fully endorse. This declaration encapsulates the collective will of the membership and introduces a pragmatic and forward-looking roadmap for the IMF.

Navigating a Highly Uncertain Global Landscape

The global economy is at a delicate juncture, marked by increasing policy uncertainty and geopolitical tensions, resulting in a shifting configuration of trade flows and increased fragmentation of the global economic landscape. Subdued global growth prospects are amplifying vulnerabilities, such as elevated debt burdens, energy market fluctuations, constrained policy space, and pose spillover risks to EMDEs. Ensuring a stable economic recovery remains a challenge amid continued uncertainty about the economic outlook, further complicated by the recent policy shifts. These developments risk hindering progress toward income convergence, and complicate efforts to manage growth, inflation, and financial market stability—particularly in emerging and developing economies. Today’s economic challenges highlight that greater multilateralism and international cooperation are more imperative than ever. Ensuring effective policy frameworks, restoring confidence, and reinforcing resilience should remain key priorities in navigating current challenges. In this context, policymakers should prioritize preserving monetary and financial stability, rebuilding buffers, and addressing structural impediments to productivity. Fiscal policy must transition toward anchoring medium-term sustainability through credible consolidation that supports inclusive growth while safeguarding essential social and investment spending. Monetary authorities, in turn, should remain vigilant, calibrating their stance based on the evolving domestic and global conditions while ensuring that monetary and financial stability is maintained.

Preserving financial stability in a world of policy uncertainty, rising complexity and interconnectedness of the financial systems requires comprehensive risk surveillance frameworks, more vigilant and coordinated supervisory oversight, and additional prudential buffers, where warranted. As financial innovation accelerates and non-bank financial institutions gain prominence, new channels of risk emerge. Therefore, the Fund's surveillance must continue to sharpen its monitoring of cross-border financial channels and systemic risks. We emphasize that timely and consistent implementation of Basel III and other internationally agreed standards is crucial to provide a level-playing field across jurisdictions and ensure adequate capital and liquidity buffers are available during stress episodes.

The shifting global dynamics also resonate deeply in the MENA region. Economic trajectories remain mixed as many countries have embraced ambitious reform agendas, laying the groundwork for sustainable and inclusive growth, while others continue to grapple with both exogenous and endogenous challenges. Refugee inflows have placed considerable strain on host countries' public services, labor markets, and fiscal positions. Meanwhile, progress toward peace and stabilization in some countries holds promise for unlocking a potential peace dividend through investment, reconstruction, and renewed regional integration. The Fund's engagement in the region must reflect these developments by offering tailored policy advice on mitigating the adverse effects of fragmentation, building resilience and capacity development to address long-standing vulnerabilities and support new opportunities for transformation, and providing recommendations on economic diversification strategies. To enhance the institution's contextual understanding, we call on the Fund to address the underrepresentation of staff from MENA region, including in leadership positions.

The IMF's Role in Shaping Global Stability

Amid a highly uncertain global landscape and rapidly evolving economic dynamics, it has become increasingly critical for the IMF to enhance the precision, responsiveness, and timeliness of its surveillance activities to identify emerging vulnerabilities to mitigate systemic risks and macroeconomic imbalances. Indeed, in this increasingly complex global environment and the fundamental fiscal and economic challenges faced by many economies, the Fund must remain firmly anchored in its core mandate of safeguarding macroeconomic and financial stability, and supporting members in managing balance of payments pressures. Enhancing the effectiveness of the Fund's surveillance is essential for maintaining stability. The forthcoming Comprehensive Surveillance Review provides an important opportunity to refocus on the Fund's core mandate, reorient priorities to make it more tailored and adaptable to members' evolving priorities and their distinct political economy realities. Given the Fund's mandate and expertise, it is imperative to provide relevant and timely policy advice to the membership in navigating the increasingly complex global economic landscape. It is also imperative that the Fund supports countries in breaking the cycle of high debt and low growth by placing them on a path toward sustainable growth would deliver meaningful long-term benefit. The Advisory Council on Entrepreneurship

and Growth is an important step to elevate the IMF's advisory role on structural reforms. Furthermore, financial surveillance is central to the IMF's work, and the Review of the Financial Sector Assessment Program provide a timely opportunity to guide future priorities that keep pace with rapid innovation and risk transformation, while ensuring that its coverage is commensurate with systemic risks.

In fragile and conflict-affected states (FCS), a sustained and proactive IMF support is essential as these economies' unique challenges can exacerbate instability, causing spillover effects on neighboring countries. The Fund must integrate macroeconomic assistance with institution-building efforts focusing on all dimensions, ensuring that capacity development is embedded within lending frameworks and extended consistently over the medium term. It also needs to adapt its instruments to the complex realities of fragile states and ensure that the FSC strategy remains relevant and impactful, as these economies require sustained engagement and timely responsiveness from the Fund. However, in recent years, we have seen a decline in PRGT commitments to FCS, along with limited engagement under Article IV consultation. This may constrain the Fund's capacity to provide timely concessional financing where it is most urgently needed. Indeed, the high-level roundtable on Supporting Recovery in the Middle East's Conflict Affected Economies, held on the sidelines of AI-Ula conference, is an important first step in advancing this critical discussion. The establishment of an informal coordination group would help ensure that these efforts continue with momentum and coherence.

The forthcoming Review of Program Design and Conditionality should explore options to better reflect country-specific constraints, especially in FCS post-conflict economies, while also tackling the persistence challenges of repeated use of Fund resources. Promoting stronger policy frameworks and institutional foundations, well-calibrated conditionality, and a clear pathway toward sustainable graduation will be critical to protecting the Fund's financial strength and credibility.

Given the elevated debt vulnerabilities in many economies, we welcome the Fund's active role in sovereign debt resolution including the continued engagement through the G20 Common Framework (CF) for Debt Treatment and the Global Sovereign Debt Roundtable (GSDR). In this vein, we welcome the progress made on debt treatments under the G20 CF. Indeed, the CF is the most inclusive platform for official creditor coordination and should remain the primary channel for debt treatments. We look forward to further improving its implementation, informed by the recommendations from the G20 Note on the Lessons Learned, and through institutionalizing the CF, enabling predictable, timely, and orderly debt treatments. Also, we support the Fund's focus on assessing the Global Financial Safety Net (GFSN) and its resilience. We stress the importance of enhanced coordination among the various layers of the GFSN, including Regional Financing Arrangements (RFAs), and increased information sharing to ensure more agile and effective response to crises.

To maintain the Fund's relevance and effectiveness, we stress the need for a forward-looking institutional strategy. While we support efforts to streamline operations, we believe that an ad hoc reprioritization should not be a substitute for a clear strategic framework. Indeed, a Fund-wide strategy, grounded in resource realism and institutional priorities, will help maintain coherence and operational efficiency. Also, further deepening collaboration with other international financial institutions and leveraging their expertise is essential to enhance synergies, prevent mission creep, avoid duplication, and enhance the quality and efficiency of joint interventions.

Saudi Arabia: Stability in Uncertain Times

The Kingdom's robust social and economic fundamentals and its progress under Vision 2030 have significantly bolstered the economy's resilience and positioned Saudi Arabia as a key pillar of stability at both the regional and global levels. Despite the emerging and persisting global economic challenges, the Saudi non-oil sector continues to demonstrate resilience, with ongoing reform efforts expected to sustain its momentum. Saudi Arabia's monetary stability and fiscal prudence provide a favorable macroeconomic environment for long-term investors and support economic resilience. This backdrop strengthens Saudi Arabia's role as a stabilizing force in the region and in the global economy. In addition, the active participation in multilateral initiatives underscores Saudi Arabia's growing role in shaping a more resilient and cooperative global order to achieve shared prosperity.