

IMF relaxes forex reserve and revenue targets for \$4.70 billion loan

October 19, 2023

Online Desk: The International Monetary Fund (IMF) has relaxed several targets including foreign exchange reserves, revenue collection, automatic price adjustment of fuel for the \$4.70 billion loan package for Bangladesh.

At the beginning of this year, the IMF had set forex reserves target at \$25.34 billion by September and \$26.81 billion by June next year as conditions for the loan package, reports UNB.

According to BPM6 – reserve calculation method – Bangladesh’s forex reserves stand at \$21.15 billion.

On a net basis, this amount has further decreased to below \$18 billion.

In this situation, the Finance Division officials requested the IMF to relax the target for forex reserves. Considering the request, the IMF has relaxed the target. Bangladesh has committed to keep the reserves at \$18.4 billion at the end of December this year, and at \$20 billion at the end of June next year.

Last Tuesday and Wednesday, the visiting IMF delegation discussed the issues with the relevant officials of the Finance Division of the Ministry of Finance.

Sources in the Finance Division said that after discussion, IMF agreed on being flexible on some conditions. Finance Secretary Md. Khairuzzaman Majumder led the meeting on behalf of the government. The IMF mission was led by Rahul Anand, head of the IMF’s Asia-Pacific division.