



***Recently, the Minister of Finance and the Budget, Gervais Rakotoarimanana (photo above), declared that "the confidence of the Investors was back"...***

Heard and read on Radio France Internationale, today 25 november 2015.

The IMF (International Monetary Fund) has just paid out 42,1 million dollars for Madagascar in conformance with the « *Rapid Credit Facility* » (RCF). A « *minimal* » loan because initially the amount had to amount to 220 million dollars.

The Big island would not be still capable of paying off such an amount according to the IMF, which waits for more reforms before making a commitment.

***« An only « *Rapid Credit* » of 42 million dollars paid out for Madagascar instead of a medium-term program over three years of 220 million dollars. It is the sign that the IMF waits for more reforms***

***system and the budget especially***

***, on the tax***

***»***

***, as explains it Patrick Imam, representative of the IMF in Madagascar.***

« It seemed that the necessary capacity to implement a medium-term economic 220 million dollar program, was not still completely ready, explains Patrick Imam. For example we saw that fiscal receipts continued to fall, that the composition of the spending (expenses) was not completely where we wanted whether it is, - there was some more money which was spent but not enough in the social ... The 42 million dollar amount seemed appropriate given that the country, in spite of its difficulties made all the same reforms which went in the right direction ». In other words, the IMF does not disengage but remains careful and give additional a few months to the country to restart its economy.

As last year, with a loan of 47 million euros, the IMF hopes that these 42 millions are going to give the necessary run-up to boost the economy of the country. While the growth of the GDP (Gross domestic product) was 3% in 2014, the estimations of the IMF for 2015 amount to 3,2% only against expected 5% at the beginning of the year.

The 42,1 million dollars will not serve to finance development projects: they are intended for cash registers of the central Bank to strengthen it by increasing liquid assets. Besides the reforms promised by the Government, this plan has for ambition to reassure the investors and the other investors. An evaluation of the project is planned in May, 2016.

**Translation : Jeannot Ramambazafy**