



# CEF Newsletter No. 2

IMF MIDDLE EAST CENTER FOR ECONOMICS AND FINANCE  
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## Message from the Director

### The Center expands its training to help address emerging regional and global challenges

Dear friends of the CEF,

It is my pleasure to introduce the CEF's second issue of its newsletter. The inaugural edition, which came out in September 2015, introduced the center's staff and set out the team's longer-term strategy and vision. Since then, several of the countries served by the CEF saw their economic prospects dim further as a result of intensified conflict and a migration and refugee crisis. Oil-exporters also had to face mounting macro-economic and fiscal pressures from the decline in oil prices.

Our newsletter highlights the center's efforts to enrich its core economics training and help Arab public sector officials to better respond to emerging challenges – notably in the areas of fiscal, monetary and exchange rate policy, international trade and finance, economic growth, and statistics. This training has been held mostly at the CEF in Kuwait, but also in the United Arab Emirates, Morocco, and other Arab countries as part of our joint programs with the Arab Monetary Fund and Bank Al-Maghrib. Our joint work with international partner organizations – including the World Bank, OECD and WTO – has been stepped up to cover

development issues that complement IMF courses such as those related to private sector development, globalization, and climate change.

This issue also overviews the CEF's contributions to open discussions on topics that are of special interest to policy-makers and the wider public. Toward that end, the CEF has held, jointly with the Arab Fund for Economic and Social Development, several forums around subsidy reform, tax policy, economic globalization, and diversification. The center has also co-organized a global conference on Islamic Finance which, while outside international finance's mainstream, has been steadily growing in importance.

Similarly, a new Eminent Speakers Series was launched in which high-level scholars and practitioners shared a broad range of thought-provoking perspectives.

The CEF team looks forward to benefiting from your feedback and views on all aspects of the center's work, and to your participation in our courses and events.

Oussama Kanaan, CEF Director

# International Conference

## Islamic Finance: Meeting Global Aspirations

Kuwait, November 11, 2015



From left to right: Axel Christopher Threlfall (Thomson Reuters), Christine Lagarde (Managing Director, IMF), and Mohammad Al-Hashel (Governor, Central Bank of Kuwait).

The IMF's Middle East Center for Economics and Finance (CEF) and the Middle East and Central Asia Department, jointly with the Central Bank of Kuwait (CBK) organized an international conference on "Islamic Finance: Meeting Global Aspirations" in Kuwait on November 11, 2015.

Several finance ministers, Central Bank Governors, high level officials and academics attended the event, which provided an opportunity for a global policy dialogue to draw a vision for sustained growth of the Islamic Finance industry.

The Governor of the Central Bank of Kuwait, Dr. Mohammad Al-Hashel, and the Managing Director of the International Monetary Fund, Ms. Christine Lagarde, chaired the opening session. Al-Hashel explained that although Islamic finance only accounts for a small share of all global financial assets, its role and relevance in the global financial system has been growing fast and it has the potential to achieve more in at least three dimensions. First, Islamic finance can foster greater financial inclusion, especially of large underserved Muslim populations. Second, it could ease access to finance for small and medium-sized enterprises (SMEs) with its emphasis on asset-backed financing and risk-sharing features. Finally, it poses, in principle, less systemic risk compared to conventional finance as it prohibits speculation.

Ms. Lagarde emphasized that unlocking the true potential of Islamic finance requires strong cooperation among all stakeholders; from the Middle East to Asia and beyond; from Islamic banks, policymakers, regulators, as well as from international financial institutions such as the IMF, the World Bank and the Financial

Stability Board. Following the opening session, three thematic sessions were conducted interactively and explored issues centered on fostering financial inclusion and growth through access to finance, regulation and supervision to promote stability, and developing Sukūk and other long-term Islamic finance instruments for sustainable development.

The IMF has long been involved in Islamic finance and played a key role in the establishment of the Islamic Financial Services Board. The establishment of an Inter-departmental Working Group for Islamic finance also demonstrates the IMF's recognition of the importance of Islamic finance.

*Ali Alhasan, Course Administrator, CEF*



From left to right: H.E. Mohamed Aden Ibrahim Farketi (Minister of Finance, Somalia), H.E. Anas Al-Saleh (Deputy Prime Minister, Minister of Finance and Acting Minister of Oil, Kuwait), H.E. Sheikh Sabah Khaled Al-Hamad Al-Sabah (First Deputy Prime Minister and Minister of Foreign Affairs, Kuwait), Managing Director Christine Lagarde (IMF), and H.E. Mohammad Al-Hashel (Governor, Central Bank of Kuwait).

# Joint CEF-AFESD Symposium

## Implications of Subsidy Reform for Kuwait and the Arab World

September 14, 2015

The IMF's Middle East Center for Economics and Finance (CEF) and the Arab Fund for Economic and Social Development (AFESD) jointly organized a panel discussion on the economic and social implications of the subsidy reform on September 14, 2015. CEF Director Oussama Kanaan moderated the panel which featured three keynote speakers: Ananthakrishnan Prasad, IMF mission chief to Kuwait, Firas Raad, World Bank Country Manager in Kuwait, and Imed Limam, Advisor at the Arab Fund for Economic and Social Development (AFESD).



On the podium, from left to right: Firas Raad (World Bank Country Manager in Kuwait), Oussama Kanaan (Director, CEF), Ananthakrishnan Prasad (Mission Chief for Kuwait, IMF), and Imed Limam (Advisor, AFESD).

In his opening remarks, Kanaan indicated that the drop in global oil prices has brought to the fore the need for fiscal adjustment. Energy price reform, which has started in the region, can be an important element of fiscal consolidation and inclusive growth strategies.

Prasad highlighted that energy prices in Kuwait, as well as in other GCC countries, are considerably below international prices and heavily subsidized by the government. He identified three adverse implications of such situation. First, energy subsidies absorb substantial resources that could otherwise be invested in human and physical capital, or saved for future generations. Second, cheap energy contributes to high energy consumption, which holds back the growth of skill-intensive sectors as well as impedes long-term economic diversification. Moreover, it leads to significant environmental distortions. Third, energy subsidies do not always reach

the most vulnerable segments of the population as they are mainly captured by rich households and are not effective at redistributing income.

Raad provided the key lessons learned from international experience in energy subsidy reform. "The reform strategy should be formulated in consultation with stakeholders and establish clear long-term objectives including a sustainable approach to energy pricing and a proper assessment of the likely impact of the reform on various stakeholders" Raad said. He also drew attention to the role of well-targeted measures to mitigate the impact of energy price increases on the poor and build support for reforms.

In his presentation, Limam pointed out that energy price reform impacts inflation and the productive sector, particularly in the short term. "The increase in energy prices would increase production costs; particularly in energy-intensive sectors such as chemicals, petroleum products, as well as transport". He pointed out that firms in export-oriented sectors, which are price-takers in global markets, are likely to be affected, and suggested that the importance of energy-intensive industries in the region favors adopting a gradual approach for raising energy prices.

The subsidy reform symposium attracted more than a hundred attendees including government officials, private sector executive staff, academics as well as delegates from different embassies. The event has benefited from wide media coverage and offered an opportunity for a very lively discussion.



From left to right: H.E. Dr. Yousef Hamad Al-Ibrahim (Economic Advisor at Al-Diwan Al-Amiri), and H.E. Executive Director Ahmad Bastaki (Office of the Managing Director, Kuwait Investment Authority).

Monther Alneama, Course Administrator, CEF

## The World is Fast: How to Understand it and Thrive in it

November 18, 2015



On the podium, from left to right: Thomas Friedman (Author, New York Times), and Oussama Kanaan (Director, CEF).

“There are three major challenges that countries need to address today as the world has evolved at an ever-increasing pace”, said Thomas Friedman, New York Times columnist and Pulitzer Prize winning author. Friedman was speaking at the symposium organized on November 18, 2015 by the IMF’s Middle East Center for Economics and Finance (CEF) jointly with the Arab Fund for Economic and Social Development (AFESD), and moderated by the CEF Director Oussama Kanaan. The symposium which was under the theme “The World is Fast: How to Understand It and Thrive in It” attracted a large audience from the public and the private sector, academia, and embassies.

“The new divide in the world is no longer north, south, east, and west but between order and disorder”, Friedman said. He focused his talk on how countries, in particular in the Arab World, could deal with a world that is moving fast on account of mutually reinforcing challenges in the realm of globalization, the digital revolution, and climate change.

Friedman said that globalization is making economies more closely connected to each other, making workers, investors and markets robustly interdependent and jointly exposed to global trends. The Arab World

could benefit from globalization by removing obstacles that hamper free flow of trade and exchange of ideas. “Removing barriers to cross-border trade and free flow of ideas would allow private sector development and help Arab countries grow globally and diversify their production base”, Friedman said. “This is even particularly crucial for oil-producing countries that rely on a single source of revenues”. Friedman noted that, while East Asian countries and other emerging economies have raised their production at a high and sustained growth rate and boosted their competitiveness in the global market, most Arab countries showed slow or no progress.

The second challenge according to Friedman lies in the Digital Revolution. “Recent examples show how the increasing power of software computers and robots requires workers to rapidly adjust their skills or be at risk of losing their jobs”, Friedman said. “Average is over for every country”. He added that the Arab region needs to ensure proper investment in the quality of education and vocational training; such investment has the potential of catching up with the digital revolution and could offer substantial benefits to the countries. Countries with a well-educated and well-trained population can reap the benefits of the digital revolution and



Participants at the symposium.

find their niches in international production networks through exports and outsourcing.

The third challenge highlighted by Friedman relates to global warming. "So far, the negative impact of global warming has barely been addressed in Arab countries", he noted. He then pointed out that, if current trends of carbon dioxide emissions are not reduced, the consequences for the world can be dire, and even more so for the Arab Gulf region.

Governments in the region need to allocate adequate resources to reduce the risks of warming and prevent its adverse effects on economic development.

*Ali Al-Qallaf, Course Administrator, CEF*

## Tax Reform and its Economic Implications

January 25, 2016

Mario Mansour, Deputy Chief of the Tax Policy Division of the IMF's Fiscal Affairs Department, explained that GCC countries should consider introducing broad base taxes to mitigate fiscal pressures stemming from low oil prices. Mansour delivered a thought-provoking presentation in a symposium on tax reform and its economic implications in the Arab World organized jointly by the IMF's Middle East Center for Economics and Finance (CEF) and the Arab Fund for Economic and Social Development (AFESD) on January 25, 2016. CEF Director Oussama Kanaan moderated the panel in which Professor Hanas Cader of the American University of Kuwait took part as a discussant.

In his opening remarks, Kanaan indicated that tax reform has become an increasingly important policy issue for a number of Arab countries amid rising fiscal pressures due to heightened regional conflict, the refugee crisis, and, especially for GCC countries, declining oil prices.

Mansour explained that the sudden decrease in oil revenues put growing pressures on GCC countries to diversify their income base away from oil revenues to ensure financial stability and sustainable economic and social development. He emphasized the urgent need for a tax system that can vary from country to country based on their socioeconomic circumstances. In that regard, Mansour presented tax reform options and pointed to the need to build tax capacity in oil-exporting countries. "In addition to the value added tax (VAT), real estate and corporate taxes should be seriously considered by GCC countries" Mansour said.



**On the podium:**  
Mario Mansour  
(Deputy Chief, Tax  
Policy Division, IMF).

He noted that property taxes have little adverse impact on economic activity and can be effective in financing municipal budgets. Mansour further indicated that taxing profits of GCC companies is expected to remove discrimination against non-GCC enterprises and broaden the tax base. Drawing on international experience, the discussion identified tax reform challenges and strategies to ensure an equitable tax system conducive to effective revenue generation with enhanced economic efficiency and competitiveness.

*Abdulghaphor Hajjeh, Course Administrator, CEF*



From left to right: Ms. Chengcheng Liu (Scholar in Public Administration), H.E. Chairman Abdlatif Yousef Al-Hamad (Director General and Chairman of the Board of Directors, AFESD), Dr. Firas Raad (World Bank Country Manager in Kuwait) and Dr. Khalid Al Saad (Former President of the Gulf Monetary Council).

## The Path to Economic Diversification in Kuwait and other GCC Countries

May 16, 2016

The CEF and the Arab Fund for Economic and Social Development (AFESD) jointly organized a symposium on “The Path to Economic Diversification in Kuwait and other GCC Countries” on May 16, 2016. The symposium, which is the fourth in a series that started in September 2015, featured Professor Ha-Joon Chang of Cambridge University, winner of the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought, and IMF economists Reda Cherif and Fuad Hasanov.

“The adoption of a bold diversification strategy has become particularly important in the face of low oil prices, and a critical one to prevent a marked decline in GCC countries’ living standards”, said CEF Director Oussama Kanaan in his opening remarks.

Hasanov started by explaining that diversification is important because the relative incomes of major oil exporters have declined over time. He stressed on the

roles of the public and private sectors in diversification, specifically in the export sector.

In his presentation, Cherif discussed policies to enhance incentives for firms to enter into diversified industries. Drawing on experiences from other resource-rich countries that succeeded in diversification, he compared the core ingredients of successful strategies in developing SMEs, development banks, venture capital funds, and export promotion agencies. He explained the merits of purpose-specific investments and strict accountability frameworks.

Professor Chang discussed diversification strategies and the role of the government in supporting diversification. He stated that “diversification need not just be related to what you are already doing. It ultimately needs to be into things that are unrelated to the natural resources”. He added that “even related diversification



From left to right: Fuad Hasanov (Economist, IMF), Reda Cherif (Economist, IMF), Oussama Kanaan (Director, CEF), and Ha- Joon Chang (Professor, Cambridge University).



Dr. Yousef Hamad Al-Ibrahim (Economic Advisor at Al-Diwan Al- Amiri), Sheikh Dr. Mohammed Al-Sabah (Economics Professor, Former Deputy Prime Minister and Minister of Foreign Affairs), and Dr. Amer Theyab Al Tamimi (Author and Economic Expert).

needs to be envisioned in more sophisticated ways. Indeed, most of the high productivity industries, in successful countries, are related to natural resources only in the remotest sense”.

On the role of the government, Chang challenged the view that governments should focus on providing

things that benefit all industries equally but are likely to be underprovided by the market. According to him, “diversification requires selective (or targeted) industrial policy”.

A lively debate followed. Sheikh Mohammed Al-Sabah discussed on the experience of Kuwait in creating one of the first Sovereign Wealth Funds in the world, and Kuwait’s experience in diversifying the sources of foreign exchange earnings, and in generating revenues from energy related activities abroad. Other interventions focused on the importance of taking the global context into consideration, of defining macroeconomic stability in a broad sense, of linking diversification to subsidy reforms, of reforming the labor market and addressing unemployment, and on the role of formal education and professional training within companies. The panelists discussed the disparities among institutional frameworks across countries, as well as the limited information available on the causality between economic development and good institutions.

*Maha Al Khateeb, Interpreter, CEF*  
*Rafik Selim, Economic Analyst, CEF*

# Eminent Speakers Series

## UK Ambassador’s lecture

November 25, 2015

The UK Ambassador to Kuwait Mr. Matthew Lodge was invited by the CEF to the first event of the Eminent Speakers Series on November 25, 2015. The event took place as part of the training course on “Strengthening Integrity in the Public and Private Sector” and was moderated by Oussama Kanaan, CEF Director and

Nicola Ehlermann, Director of the OECD’s Investment Program for the Middle East And Africa. In her opening remarks, Ehlermann explained that the purpose of the course is to share knowledge on existing anti-corruption legislations and international standards to enhance domestic integrity frameworks in the Arab countries.



From left to right: Drago Kos (Chair of Working Group on Bribery in International Business Transactions, OECD), Oussama Kanaan (Director, CEF), Matthew Lodge (UK Ambassador to Kuwait), Nicola Ehlermann (Head of MENA-OECD Investment Program), and Yukihiro Hamada (Policy Analyst, OECD).

“We would like to strengthen the capabilities of the participants in designing and reforming institutions that promote integrity and fight corruption in their home countries”, she noted. Kanaan emphasized that there is an intensive collaborative effort between the OECD and the CEF to provide such training to respond to the needs of Arab region.

Ambassador Lodge’s presentation focused on the critical role of good governance in economic development and measures to guard against corruption.

He discussed ways in which the private sector could grow and flourish in an environment of good governance and measures to promote public sector integrity.

*Rasha El Askary, Office Administrator, CEF*

## Australian Ambassador’s lecture

December 2, 2015

The Australian ambassador to Kuwait Warren Hauck held a talk in the second event of the CEF’s Eminent Speakers Series on December 2, 2015. The event took place as part of the training course on “Inclusive Growth: Macroeconomic and Sectoral Policies” and was moderated by CEF Director Oussama Kanaan. In his opening remarks, Kanaan explained the importance of robust and inclusive growth for the Arab region. He noted that Arab countries and particularly oil-exporters can learn a great deal from the Australian experience. “Indeed, the country is a large commodity exporter and yet it showed economic resilience and over time was able to successfully diversify its exports”, Kanaan said.

Ambassador Hauck presented the Australian experience and highlighted how the country managed to achieve both strong economic growth and inclusiveness. “We are now in the 25th year of uninterrupted economic growth as a result of several reforms we introduced since 1991. The country’s resilience has been sustained by sound macroeconomic policies, strong institutions and continued demand for hard and soft commodities from Asia” Ambassador Hauck noted.

He pointed out that Australia is the only developed economy to have no annual recession during the past 23 years, placing it alongside high-growth economies such as China and India.

Ambassador Hauck cited some factors that explain such an outstanding achievement including the floating of the Australian dollar, the reduction of tariffs on imports under five percent, the dismantling of the centralized wage fixing and the creation of a more flexible labor market. “We reformed inefficient government monopolies in telecommunications, transportation and water. The reforms boosted productivity and reduced the production costs. We also reformed the tax system, strengthened social policies and provided more funding for universities”, Hauck added.

Hauck noted that there are “five success factors for reforms”: proper prioritization and sequencing; finding the “right pace”; creating a broad recognition of the need for reform; giving a voice to the winners from reforms; and finally, a healthy government budget and readiness to overcome the downturns. “Australia continues to invest in the education sector, training programs and infrastructure. We will be strongly focusing on innovation as we live in a globalized world. We might face challenges ahead but with 25 years of solid growth, I think we are in the right position”, Ambassador Hauck concluded.



**Warren Hauck (Australian Ambassador to Kuwait).**



**Participants at the lecture.**

*Lahcen Achy, Senior Economist, CEF*

## Regional Workshop for Directors of Training

Kuwait, March 1, 2016



On the podium, from left to right: Gina Paone (Advisor and Senior Personnel Manager at the Institute for Capacity Development, IMF), Ray Brooks (Chief, European and Middle Eastern Division, Institute for Capacity Development, IMF), Oussama Kanaan (Director, CEF) and Sami Ben Naceur (Deputy Director, CEF).

On March 1, 2016, the CEF hosted the third Directors of Training Seminar to assess and exchange views on the evolving training needs and policy priorities of the Arab League countries. The seminar was attended by 30 participants (directors of training, human resources managers, heads of career development units) from 17 Arab countries.

As a background for the seminar, the CEF carried out an Online Survey that targeted two groups of respondents: Alumni who attended CEF training activities in 2014 and 2015, and the directors of training and other officials involved in nominating participants for CEF training courses. “We are proud to announce that the findings of the survey were very positive. The results indicated CEF training’s positive impact on enhancing public sector officials’ skills in economics and finance.

Ray Brooks, Division Chief at the IMF-ICD, discussed the online learning tools that have been developed to reach a broader audience. Raja’a Al-Behaisi, CEF Office Manager, explained the administrative process followed in CEF courses from nomination to course completion. Muhannad Darwish, Program Officer at the CEF, explained in detail the findings of the Online survey and highlighted the key lessons to enhance the delivery of training at the Center.

Gina Paone, Advisor and Senior Personnel Manager at the IMF-ICD moderated the session on effective ways

to enhance participants’ capacity and ensure that the CEF training courses take into consideration their skills progression and their overall career development goals set out.

In his closing thoughts, Kanaan underscored the key takeaways from the seminar including the importance for the CEF to continue an open dialogue with the Directors of Training to ensure that the course program for 2017 reflects the needs of the countries; raises the regional relevance of the various case studies to ensure that they are of practical use for the participants; and enhances the sequencing of courses and expands the use of online learning.

*Muhannad Darwish, Program Officer, CEF*



Participants at the workshop.

## Capital Market Authority's New Graduates Internship Program

Kuwait, February 4, 2016

The CEF organized an event for the fresh recruits of the Capital Markets Authority's Young Professionals Program. The main aim of this Program is to build the national capacity in the areas of economics and finance to enable the new recruits joining the CMA to enhance their skills and performance.

As part of the CEF's aim to strengthen its links with leading Kuwaiti institutions, the CEF participated in this important initiative by hosting 20 participants on February 4, 2016 as part of the YPP. During the one-day extensive training course, a number of presentations were delivered by CEF team members. CEF Director, Oussama Kanaan, opened the event by welcoming the participants, and discussed the significance of the partnership between the CEF and the CMA, as well as the CEF's strategy in capacity building.

Lahcen Achy, CEF Senior Economist, delivered a comprehensive presentation about the IMF, covering the organization's mandate, goals, and activities.



Lahcen Achy (Senior Economist, CEF) addressing the participants.

Finally, Raja'a Al-Behaisi, the CEF Office Manager, presented an overview of the administrative aspects of the work of the CEF and the conduct and organization of its courses. The feedback received from the CMA as well as from the trainees, was very positive, which bodes well for a continuation of joint CEF-CMA activities including through the Young Professionals Program.

*Raja'a Al-Behaisi, Office Manager, CEF*



Participants at the workshop.

# Selected Course News

## Macroeconomic Management and Financial Sector Issues

Muscat (Oman), August 30-September 10, 2015

The IMF's Middle East Center for Economics and Finance, jointly with the Arab Monetary Fund and the Central Bank of Oman, conducted a training course on the Macroeconomic Management and Financial Sector Issues (MMF) in Muscat, Oman, during August 30 - September 10, 2015. Senior policymakers, analysts, and government officials from the Arab League countries examined the economic and financial policy dilemmas confronting authorities in the region and the options available to them with special attention to how financial sector issues interact with macroeconomic management.

"This two-week-long course covers a number of key macroeconomic topics, such as stabilization and growth, fiscal and external debt sustainability, frameworks for monetary policy, choice of the exchange rate regime, and up-to-date best practices on how to deal with international capital flows. It offers an excellent and timely opportunity for public officials from across the region to discuss extensively financial sector topics including the role of the financial sector in the economy.

The course examines the relationship between financial fragility and macroeconomic stability, financial sector policies; and policies to address financial crises" said Sami Ben Naceur, Deputy Director of the CEF.

The lectures and workshops covered the macroeconomic and financial conditions in the region, the policies for macroeconomic stability and growth, the monetary policy and transmission channels, the conduct of fiscal policy and the assessment of debt sustainability, the design and implementation of macro-prudential policies, and the practical use of stress testing and early warning devices to prevent crises. For each topic, participants discussed the challenges facing their respective countries and prepared presentations on macro-financial issues in selected Arab countries using the most recent research findings and operational work of the IMF, including Article IV reports and Financial Sectors Assessment Papers (FSAPs).

*Sami Ben Naceur, Deputy Director, CEF*

## Macroeconomics Diagnostics

Kuwait, February 7-18, 2016

On February 7-18, 2016, the CEF organized a two week course on Macroeconomic Diagnostics for 30 economic analysts and senior officials from Central Banks and Ministries of Finance in the Arab League countries. In his opening remarks, the CEF director Oussama Kanaan indicated that most Arab countries made significant progress in recent years in building up their macroeconomic frameworks by developing their databases and constructing key economic indicators. He underlined, however, that there is scope for further gains by strengthening participants' ability to assess their respective countries' macroeconomic situation using modern and practical tools and present their finding in ways that are meaningful and helpful both for policymakers and the public at large.

"The course draws heavily on actual country experiences in the region by showing how to conduct economics diagnostics of the four typical macroeconomic sectors (real, external, fiscal and monetary) and use analytical tools that are not usually covered in macroeconomics textbooks or in university courses" said Reda Cherif, ICD Economist and mission chief for the course.

The course presented the key building blocks of the economy and taught participants various approaches for conducting rigorous diagnostics of the economy. It addressed the cyclical and structural growth issues including inflation, wages and labor markets, and the external sector through real exchange rate assessment. It also reviewed issues currently confronting policy-

makers in the region in the design, implementation and monitoring of fiscal and monetary policies. Finally, the course covered practical case studies to assess the

sustainability of public and external debt, and evaluate financial sector vulnerabilities.

*Alia Al Duaij, Senior Course Administrator, CEF*



Participants at the course.

## Macroeconomic Management and Fiscal Policy

Doha (Qatar), February 28-March 10, 2016

The Macroeconomic Management and Fiscal Policy (MFP) course offered jointly by the IMF's Middle East Center for Economics and Finance (CEF) and the Arab Monetary Fund (AMF) in Arabic took place in Doha, Qatar from February 28 to March 10, 2016. The Qatari Undersecretary of the Ministry of Finance H.E. Khalaf bin Ahmed Al Mannai chaired the opening session and stressed the need to hold such courses to deepen understanding of fiscal policy issues. "The course represents an important basis in the understanding of fiscal policy issues in the region and the development of sound financial programs. It also equips participants with tools and approaches to assess and monitor implementation of fiscal policies", H.E. Khalaf bin Ahmed Al Mannai added.

"This course provides an excellent overview of the key fiscal policy concepts and techniques to analyze how fiscal policy can help ensure macroeconomic stabil-

ity and sustainable long-term growth. It is a hands-on course built around core macro-fiscal topics needed to analyze fiscal policy with application and case studies relevant to the region", noted Lahcen Achy, Senior Economist at the CEF and mission chief for the course.

In his introductory lecture, Dr. Ibrahim Al Karasneh, Division Chief at the AMF's Economic Policy Institute, underscored that fiscal policy formulation is influenced by the country's macroeconomic context that a country faces, but it also influences macroeconomic outcomes in that country.

The course started by providing an overview of the recent macroeconomic trends, and identified main fiscal challenges in the region. The course then covered topics such as measuring the fiscal stance, fiscal multipliers, and fiscal projections as well as assessing debt sustainability, expenditure and tax policies.

Thirty-three officials from fourteen Arab countries participated in the course, of which nine were from Qatar. The course consisted of fourteen lectures, six workshops and six sessions in which participants prepared their final presentations. Participants' presentations

addressed public expenditure reform (case of Saudi Arabia), experience of tax reform (case of Morocco), and public debt sustainability analysis (case of Jordan).

*Lahcen Achy, Senior Economist, CEF*



Participants at the course.

# CEF News

## New Staff Additions

The CEF welcomed new staff members on board, marking the completion of the staffing structure of the Center. Bassem Kamar and Mohamed Trabelsi joined as Senior Economists in early April 2016, bringing in their extensive knowledge and a wealth of international expertise in the field of economics and finance. The CEF also welcomed on board a new Course Administrator: Noora AlSharhan; an Office Administrator: Noha Nabil and an Economics Analyst: Rafik Selim. "Our new colleagues come with solid experience and vast capabilities that will enable the CEF to flourish further", said CEF director Oussama Kanaan.

## Online Application System

The CEF has introduced a major improvement to the course application procedure by adopting the Online Application System (OAS) for all the internal training courses offered by the IMF. The OAS enables the CEF to be in line with other IMF Regional Training Centers as its courses will be included in the IMF Smart Catalogue. This allows potential participants to apply for the courses they are interested in without having to wait for an invitation letter to be sent to their respective sponsoring agencies, which will ensure more efficiency and transparency in the application process. The OAS will be extended in the near future to the external courses offered by partner organizations to unify the application process for all CEF courses.

## Accommodation and Catering Services for Course Participants

In its efforts to further raise the quality services to the course participants, the CEF enhanced travel and accommodation arrangements to enable participants to make their stay in Kuwait as comfortable and productive as possible. After a thorough assessment of the available options, the Symphony Style Hotel was selected for the accommodation and catering, taking into consideration the quality and cost effectiveness of its services in addition to its location adjacent to the CEF office. The new accommodation arrangement eliminates the need for transportation at the beginning and at the end of the day, minimizes security and safety concerns, and increases convenience for participants and lecturers.

## CEF Course Schedule during January-December 2016

No	Sponsoring Agency	Course Title	Course Dates	Course	Lang	Duration (in weeks)
1	IMF-MCM	Bank Restructuring and Resolution	Jan 10-14	BR	E/A	1
2	WBG	Public Investment Management	Jan 10-14	GOV-PIM	E/A	1
3	IMF-FAD	Tax Policy and Administration: Theory and Practice	Jan 17-21	TPAT	E/A	1
4	WTO	Regional Sanitary and Phytosanitary Workshop	Jan 25-28	SPS	E/A	0.8
5	IMF-ICD-AMF	Financial Market Analysis	Jan 31-Feb 11	FMA	E 2	
6	IMF-ICD	Macroeconomic Diagnostics	Feb 7-18	MDS	E 2	
7	IMF-LEG	Legal Aspects of Monetary and Financial Stability	Feb 7-11	LMFS	E/A	1
8	WBG	Contemporary Issues in Reform of Public Procurement Policy and Practice	Feb 14-18	GOV-PPM	E/A	1
9	IMF-ICD-AMF	Macroeconomic Management and Fiscal Policy	Feb 28-Mar 10	MFP	A 2	
10	IMF-STA	High-Frequency Indicators of Economic Activity	Mar 6-10	IEA	E/A	1
11	IMF-ICD	Macroeconomic Management in Resource-Rich Countries	Mar 6-17	MRC	E/A	2
12	IMF-METAC	Fiscal Reporting and Transparency	Mar 13-16	FR	E/A	0.8
13	WBG	Good Practices in Investment Policy and Promotion: Applicability for MENA Countries	Mar 20-24	IPP-MENA	E/A	1
14	WBG	Enhancing Public Sector Performance Including Delivery Units	Mar 27- 31	GOV-PSP	E/A	1
15	WBG	Towards Universal Health Coverage: “How to” Bring More Value for Money in the Health Sector in MENA	Apr 4-6	HRH	E/A	1
16	WBG	Governance for Service Delivery	Apr 10-13	GOV-GSD	E/A	0.8
17	IMF-LEG	Fiscal and Tax Law Seminar	Apr 17-21	FTLW	E/A	1
18	WBG	For Resilience and Promotion: Social Safety Nets in the Middle East and North Africa	Apr 24-28	SSN-MENA	E/A	1
19	IMF-ICD-AMF	Economic Policies for Financial Stability	May 1-12	EFS	E 2	
20	OECD	Improving Competitiveness in MENA Countries	May 9-12	COMP	E/A	0.8
21	WTO	Facilitation for Arab and Middle East Countries - Kuwait City	May 15-19	TP1	E/A	1
22	IMF-ICD	Financial Programming and Policies	May 15-26	FPP	A 2	
23	IMF-STA	Government Finance Statistics	May 15-26	GFS	E/A	2
24	IMF-FAD	Reforming Fuel Subsidies	May 22-26	RFS	E/A	1
25	IMF-ICD-BAM	Macro-Prudential Policies **	May 23-27	MPP	E/A	1
26	WBG	Shaping Better Functioning Markets in MENA through Competition Policy Enforcement and Advocacy	May 29-June 2	CPEA	E/A	1
27	OECD	Bringing success to your Public-Private Partnership project	May 30-June 2	PPP	E/A	0.8
28	IMF-ICD-AMF	Macroeconomic Management and Financial Sector Issues*	Aug 28-Sept 8	MMF	A 2	
29	IMF-STA	Compilation of Balance of Payments Statistics	Sept 4-8	BPSCG	E/A	1
30	IMF-MCM	Effective Public Debt Management Strategies in a World of Sovereign Assets	Sept 18-22	PDM-SA	E/A	1

No	Sponsoring Agency	Course Title	Course Dates	Course	Lang	Duration (in weeks)
31	IMF-STA-AMF	Public Sector Debt Statistics*	Sept 18-22	PDS	E/A	1
32	IMF-LEG	AML/CFT - Assessed Country	Sept 25-29	AML/CFT	E/A	1
33	IMF-MCM	Macro Stress Testing	Sept 25-29	MST	E	1
34	IMF-CEF-WBG	Policies for Diversified Development	Oct 9-13	DIV	E/A	1
35	IMF-AMF	Introductory Course on Monetary and Financial Statistics*	Oct 9-20	MFS-1	E/A	2
36	IMF-ICD	Macroeconomic Diagnostics	Oct 9-20	MDS	E	2
37	IMF-ICD	Macroeconomic Management and Fiscal Policy	Oct 16-27	MFP	A	2
38	IMF-FAD	Strengthening Budget Institutions	Oct 23-27	SBI	E/A	1
39	IMF-ICD	Financial Programming and Policies	Nov 6-17	FPP	A	2
40	IMF-METAC	The Necessary Infrastructure for Effective Supervision of Institutions Offering Islamic Financial Services	Nov 7-10	IFS-ISB	E/A	0.8
41	IMF-ICD-BAM	Advanced Macroeconomic Forecasting	Nov 7-18	MF-A	E	2
42	OECD	Improving Policies and Access to Finance for SMEs in the MENA region	Nov 22-26	SME	E/A	0.8
43	IMF-STA-AMF	Financial Soundness Indicators*	Dec 4-15	FSI	E/A	2
44	IMF- WBG	Inclusive Growth: Macroeconomic and Sectoral Policies	Dec 4-15	IG	E/A	2
45	IMF-ICD-AMF	Vulnerabilities Diagnostics*	Dec 4-15	VNL	A	2
46	IMF-ICD	Monetary and Exchange Rate Policy	Dec 4-15	MERP	E	2
47	IMF-MCM	Current Issues in Banking Supervision and Regulation	Dec 18-22	BSR	E/A	1

## CEF Course Schedule during January-December 2017

No	Sponsoring Agency	Course Title	Course Dates	Course ID	Lang	Duration (in weeks)
1	OECD	Strengthening Integrity and Anti-Corruption Capacities	Jan 3-5	INTG	E/A	0.6
2	IMF (STA)	Residential Property Price Indices	Jan 8-12	RPPI	E/A	1
3	IMF (LEG)	Current Issues in Tax Law Design Relevant for The Middle East	Jan 15-19	TLWD	E/A	1
4	METAC	Frameworks for the Management of Fiscal Risks	Jan 23-26	PFM-FR	E/A	0.8
5	IMF (FAD)	Tax Policy and Administration: Theory and Practice	Jan 29-Feb 2	TPAT	E/A	1
6	IMF (LEG)	Legal Aspects of Monetary and Financial Stability	Feb 5-9	LMFS	E/A	1
7	IMF (ICD)	Financial Programming and Policies	Feb 5-16	FPP	A	2
8	IMF (ICD)-AMF	Financial Sector Policies* (Location: Morocco)	Feb 6-17	FSP	E	2
9	WBG	Social Safety Nets for Shared Prosperity: Helping People Cope with Shocks, Find Productive Jobs, and Invest in Human Development	Feb 12-16	SSN	E/A	1

No	Sponsoring Agency	Course Title	Course Dates	Course ID	Lang	Duration (in weeks)
10	WBG	Expanding Early Childhood Development in MENA-E4C Regional Workshop	Feb 19-23	ECD	E/A	1
11	WBG	Human Resources for Health for Universal Health Coverage	Feb 28-Mar 2	HRH	E/A	0.6
12	WBG	Integration and Economic Upgrading in Global Value Chains	Mar 5-9	GVC	E/A	1
13	IMF (ICD)	Fiscal Policy Analysis	Mar 5-16	FPA	E	2
14	WTO	Trade Policy	Mar 12-16	TP 1	E/A	1
15	WBG	Impact of Climate Change Measures - Building Resilience	Mar 19-23	CCM	E/A	1
16	IMF (ICD)-AMF	Financial Development and Financial Inclusion* (Location: Jordan)	Mar 26-Apr 6	FDPI	E	2
17	IMF (ICD)	Macroeconomic Management in Resource-Rich Countries	Mar 26-Apr 6	MRC	E/A	2
18	IMF (ICD)-BAM	Monetary Policy**	Mar 27-Apr 7	MP	E	2
19	OECD	Improving Competitiveness in MENA Countries	Apr 10-13	COMP	E/A	0.8
20	WBG	Urban Regeneration with Private Sector Participation	Apr 25-26	UR	E/A	0.4
21	WTO	Trade Policy	Apr 30-May 4	TP 2	E/A	1
22	IMF (ICD)-AMF	Fiscal Frameworks*	Apr 30-May 11	FF	E	2
23	IMF (FAD)	Reforming Fuel Subsidies	May 7-11	RFS	E/A	1
24	IMF (ICD)	Macroeconomic Diagnostics	May 14-25	MDS	E	2
25	OECD	Audit in MENA and the Gulf Region	May 15-18	AUD-MENA	E/A	0.8
26	WBG	Contemporary Issues in Reform and Modernization of Public Procurement Systems	May 21-25	GOV-PPM	E/A	1
27	WBG	Macroeconomic Forecasting using MFMod	Aug 20-24	MFMod	E/A	1
28	WBG	Public Debt and Risk Management	Aug 27-30	DM	E/A	0.8
29	IMF (STA)-AMF	Cross-Border Position Statistics*	Sept 10-14	CBPS	E/A	1
30	IMF (ICD)-AMF	Financial Sector Surveillance* (Location: Algeria)	Sept 10-21	FSS	E	2
31	IMF (ICD)	Fiscal Sustainability	Sept 10-21	FS	E	2
32	WBG	Policies for Diversified Development	Sept 17-20	DIV	E/A	0.8
33	IMF (LEG)	Implementing the International AML/CFT Standards	Sept 24-28	AMLS	E/A	1
34	IMF (MCM)	Macro-Stress Testing	Sept 24-28	MST	E	1
35	OECD	Public Procurement in MENA and GCC Countries	Oct 2-5	PPM-MENA	E/A	0.8
36	IMF (ICD)	Macroeconometric Forecasting and Analysis	Oct 8-19	MFA	E	2
37	IMF (ICD)	Fiscal Policy Analysis	Oct 8-19	FPA	E/A	2
38	IMF (STA)-AMF	Government Finance Statistics*	Oct 15-26	GFS	E/A	2

No	Sponsoring Agency	Course Title	Title Dates	Title ID	Lang	Duration (in weeks)
39	IMF (FAD)	Strengthening Budget Institutions	Oct 22-26	SBI	E/A	1
40	IMF (ICD)	Exchange Rate Policy	Oct 22-Nov 2	ERP	E	2
41	OECD	Improving Policies and Access to Finance for SMEs in the MENA Region	Oct 30-Nov 2	SME	E/A	0.8
42	IMF (FIN)	Safeguards Assessments of Central Banks	Nov 5-9	SAC	E/A	1
43	IMF (ICD)	Financial Programming and Policies	Nov 5-16	FPP	A	2
44	IMF (MCM)	Current Issues in Banking Supervision and Regulation	Nov 12-16	BRS	E/A	1
45	WTO	Trade Policy	Nov 19-23	TP 3	E/A	1
46	METAC	Cash Management and Treasury Single Account	Nov 26-29	PFM-TSA	E/A	0.8
47	IMF (ICD)-WBG	Inclusive Growth	Dec 3-14	IG	E/A	2
48	IMF (ICD)-AMF	Vulnerability Diagnostics* (Location: Oman)	Dec 3-14	VDS	A	2
49	IMF (STA)-AMF	Monetary and Financial Statistics - Advanced*	Dec 3-14	MFS-A	E/A	2
50	IMF (STA)-AMF	External Debt Statistics*	Dec 17-21	EDS	E/A	1
51	METAC	Effective Practices In The Supervisory Review Process of Institutions Offering Islamic Financial Services	Dec 18-21	ISB	E/A	0.8

\* Course is conducted at the Arab Monetary Fund (AMF) in Abu-Dhabi-United Arab Emirates (UAE).

\*\* Course is conducted at Bank Al Maghrib (Morocco).

OAS Online Application System

AMF Arab Monetary Fund

BAM Bank Al-Maghrib

IMF International Monetary Fund (Finance (FIN), Fiscal Affairs (FAD), IMF Institute for Capacity Development (ICD); Legal (LEG); Monetary and Capital Markets (MCM); Statistics (STA))

METAC Middle East Regional Technical Assistance Center

OECD Organization for Economic Co-operation and Development

WBG World Bank Group

WTO World Trade Organization

E = English, A = Arabic, E/A = English with simultaneous interpretation into Arabic.

Fluency in the language of instruction or in the language of simultaneous interpretation is a prerequisite for all courses.