



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-Second Meeting October 16–17, 2025

Statement No. 52-17

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

**Statement to the International Monetary and Financial Committee
by Ayman M. Al-Sayari
Governor of the Saudi Central Bank (SAMA)
October 17, 2025**

The IMF is a cornerstone for stability and cooperation for a global economy that is facing profound uncertainty. Amid greater fragmentation and protectionism, policy shifts, and technological changes, the Fund provides a unique platform for working collaboratively toward a smooth functioning of the global economy to the benefit of its entire membership.

The Managing Director's Global Policy Agenda sets out important priorities, and we appreciate its focus on the Fund's core mandate of preserving macroeconomic and financial stability, and on inclusive and effective cooperation.

Global Economy: Recent Resilience but Difficult Prospects

The global economy has been remarkably resilient to recent shocks. Economic growth has held up reasonably well, private demand has been strong, and financial market conditions have remained broadly stable. These are encouraging developments. Yet, they rest on foundations that may be shifting, as evidenced by rising fiscal sustainability concerns, high uncertainty over policies and outlook, emerging signs of economic slowdown, and downside risks. These risks include heightened debt vulnerabilities, increased uncertainty, stretched asset valuations and the growing interconnectedness of nonbank financial institutions (NBFIs) with the broader global financial system, which leaves the system exposed to abrupt corrections. This underscores the urgency of strengthening safeguards and enhancing international policy coordination.

Policy makers must remain vigilant, through forward-looking, well-informed and carefully calibrated policies. Greater global policy coherence will strengthen global economic prospects. Fiscal policy should rebuild buffers while preserving space for priority investment and social needs. Monetary policy must safeguard credibility and anchor expectations. A coherent mix of fiscal, monetary, and macroprudential measures will be critical to reinforce resilience and contain spillovers. Preserving financial stability will also require stronger oversight and operational resilience, this will be achieved by the implementation of internationally agreed standards such as Basel III, and effective regulatory oversight of NBFIs and digital assets. The February 2025 Al-Ula Conference for Emerging Market Economies provided a useful platform for policy dialogue on challenges faced by EMDEs, and we look forward to the second edition in February 2026.

In the MENA region, countries' economic circumstances vary widely. Some countries are mired in fragility and conflict, many are affected by cuts in international aid and assistance, some are beginning their post-conflict recovery, and yet others are managing domestic agendas to enhance growth prospects while remaining resilient to shocks. This heterogeneity underscores the role of sound IMF policy advice, support, and Capacity Development (CD) to safeguard stability and enable sustained recovery.

IMF Role in a Changing World

The Fund's continued relevance in a fragmented and increasingly uncertain global economy rests on its ability to deliver on its core mandate. IMF surveillance, lending, and CD should be anchored in its mandate to help safeguard international monetary and financial stability. Surveillance has a central role in crisis prevention through identifying risks and providing policy advice to support members' macroeconomic stability. IMF lending should help members restore external viability through policy adjustment and catalyzing financing. CD should enhance members' ability to conduct macroeconomic and financial policies and be well integrated with surveillance and lending. The forthcoming policy reviews are an opportunity to refine these functions and ensure the Fund remains fit for purpose and responsive to the evolving needs of its membership.

The Comprehensive Surveillance Review should sharpen the Fund's ability to identify risks, safeguard macroeconomic and financial stability, and support the international monetary system. This requires deeper macro-financial integration, closer monitoring of systemic spillovers, and greater attention to trade and industrial policies. Tailoring advice to country circumstances, including integration with capacity development efforts, will be essential to enhance adoption. Engagement in new policy areas should remain firmly anchored to fund's core mandate, leveraging the expertise of other international organizations in areas where they hold a comparative advantage. As financial systems evolve, Financial Sector Assessment Programs (FSAPs) should remain a core pillar of Fund surveillance, helping members identify vulnerabilities, enhance resilience, and align national policies with the stability of the international financial system.

The Review of Conditionality is an opportunity to reflect on how the Fund's lending function must evolve in a shifting global landscape. Program design will need to be consistent with the new global developments, allowing countries to weather macro-financial shocks. IMF programs must be more catalytic and reform measures should be parsimonious, well-prioritized, and sequenced. Integration with capacity development, greater attention to sequencing, and safeguards for the most vulnerable will strengthen implementation and ownership. The IMF should develop credible measures of program success, which capture both outcomes as well as the durability of reforms for sustained stability and growth. Precautionary and emergency facilities should continue to provide confidence and timely support when needed, although it is the conditionality associated with upper-credit tranche programs that is the primary source of policy strength and credibility for the IMF lending.

Fragile and conflict-affected states (FCS) require tailored engagement. In such contexts, fiscal and debt strategies must recognize political and social realities in order to support stability and reform traction. Fund programs must integrate technical assistance into long-term stabilization efforts, maintaining engagement even in difficult circumstances and closely coordinating with Regional Financing Arrangements (RFAs) and development partners. Strengthening coordination across the layers of the Global Financial Safety Net (GFSN) remains a priority. Collaboration with RFAs can enhance preparedness, ensure coherence in lending practices, and broaden the GFSN's effective firepower. Such collaboration should extend to policy advice and CD, especially

in FCS where uninterrupted surveillance, institution-building, and long-term support are indispensable.

The Fund's role in debt resolution remains instrumental. The G20 Common Framework, introduced under Saudi G20 Presidency, is an anchor for debt restructuring. Its effectiveness depends on predictable processes, timely action, and broad participation. We welcome the forthcoming Low Income Countries Debt Sustainability Framework (LIC-DSF) review. The LIC-DSF should be more agile, granular, and transparently communicated. It should preserve a role for informed judgment, recognizing the low-capacity, low-data settings in FCS.

Advancing Governance Reforms

Progress made since the membership's endorsement of the Diriyah Declaration in April 2025 underscores members' commitment to consensus and inclusivity. The Declaration provides a credible roadmap for future governance reforms, with principles grounded in transparency, gradual progress, and broad representation. These principles should safeguard the Fund's financial soundness, protect EMDE shares, and preserve their regional representation at the Board, while also recognizing Voluntary Financial Contributions as strengthening inclusiveness and multilateral engagement. Completing the 16th General Review of Quotas remains essential to ensure adequacy of Fund resources and maintain the Fund's central role in the GFSN.

Saudi Arabia's Economic Progress

The Saudi economy continues to successfully implement its transformational agenda while demonstrating strong resilience in navigating global shocks—from COVID-19 to geopolitical tensions—bolstered by ambitious reforms under Vision 2030. Proactive policies and robust financial buffers ensure continued stability, even in uncertain times.

With diversification at its core, Vision 2030 has enabled the Kingdom to expand into dynamic sectors such as tourism, technology, renewable energy, and logistics. The momentum of non-oil economic activities remains robust, supported by contained inflation and record low unemployment rates, amid a further increase in labor force participation. The Kingdom's forward-looking strategy has stimulated quality jobs creation, and fostered innovation across sectors and industries, and prioritized upskilling and reskilling to better align workforce capabilities with labor market needs. In 2024, non-oil activities grew by 5.2%, and in the first half of 2025, it grew by 4.8%, with their share of GDP increasing to 55.6%. Major infrastructure projects underscore the Kingdom's commitment to building a sustainable and globally competitive economy.

The Saudi economy has demonstrated remarkable resilience in recent years, driven by sound monetary and financial policies, as well as strong fiscal management and commitment to structural reforms. The government's focus on digital transformation, sustainable initiatives, and support for small and medium enterprises is paving the way for long-term, inclusive growth.