



INTERNATIONAL MONETARY FUND

كلية التجارة

— جامعة مدينة السادات —

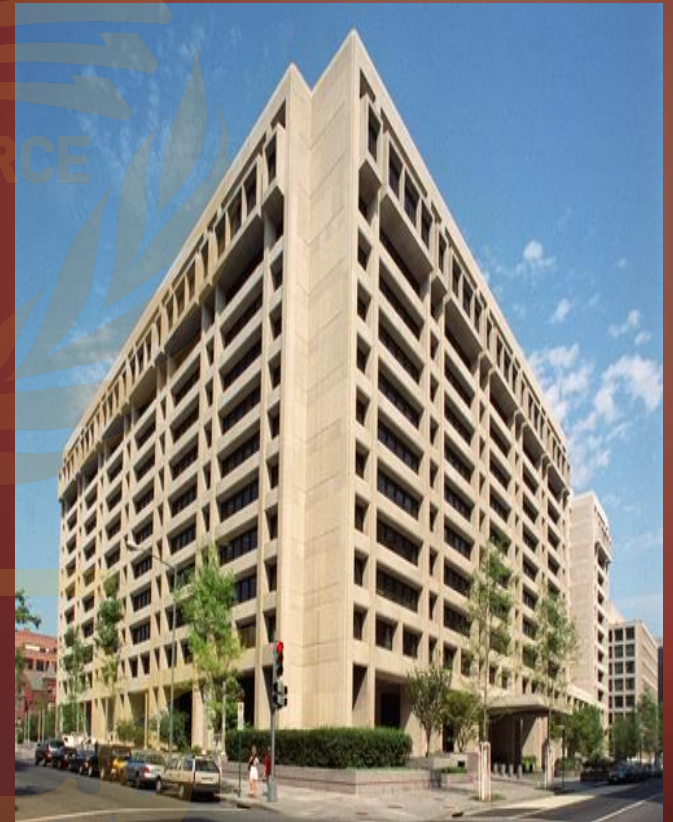
INTRODUCTION

IMF is a forum of national economic policies, international monetary and financial systems, Which involves active dialogue with each member Country.

When there is a country where has a serious finance problem, other countries loan the money for the poor country.

IMF is a kind of association among the countries to prepare the situation when the nation bank of country is bankrupted.

IMF is an administrative unit that is international in nature and whose objective is to regulate and administer the financial system of the world.



ABOUT IMF

- IMF headquarters is in Washington D.C , U.S.A
- Five largest shareholders are United States, Japan, Germany, France, United Kingdom.
- China, Russia, and Saudi Arabia have their own seats on the Board.
- 16 other Executive Directors are elected for two year terms by groups of countries, known as "Constituencies".
- The International Monetary Fund (IMF) is an organization of 188 countries

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HISTORY OF IMF

- The International Monetary Fund Was created in 1944, at the Bretton Woods conference to prevent the kinds of chain reaction in the economic system that caused world currencies to collapse like in the Great Depression of the 1930s.
- Bretton wood agreement was contracted in 1944 and
- IMF was created in 1946.
- IMF started to make service with IBRD (international bank of reconstruction and development) in 1947.
- The IMF was created to support orderly international currency exchanges and to help nations having balance of payment problems through short term loans of cash.

GROWTH IN IMF MEMBERSHIP

- In the beginning 29 member countries
- Today, 187 member countries.
- Staff of about 2800 persons.
- Two-thirds are economists in 139 countries.
- Headquarters in Washington, D.C.

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PURPOSES OF IMF

- IMF promote international monetary cooperation .
- Expansion and balanced growth of international trade.
- IMF promote exchange rate stability .
- Help establish multilateral system of payments and eliminate foreign exchange restrictions.
- IMF make resources of the Fund available to members.
- Foster economic growth and high levels of employment.
- IMF can make the price of foreign money to be safe.
- IMF can solve the problem of countries that doesn't want to allow the
- Foreign money to make their currency's value higher.

ROLE OF IMF

- Focusing on its core macroeconomic and financial areas of responsibility.
- Working in a complementary fashion with other institutions established.
- Collection and allocation of reserves.
- Rendering advice to member countries on their international monetary affairs.
- Promoting research in various areas of international economics and monetary economics.
- Providing a forum for discussion and consultation among member countries.
- Being in the center of competence.

FUNCTIONS OF IMF

- Surveillance (like a doctor)
Gathering data and assessing economic policies of countries.
- Technical Assistance (like a teacher)
Strengthening human skills and institutional capacity of countries.
- Financial Assistance (like a banker)
Lending to countries to support reforms

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MEMBERSHIP AND GOVERNANCE

- Managing Director: Christine Madeleine (since 5 July 2011)
- Executive Board (24 Members)
- Weighted Voting System:
 - US Representative holds 17% of total Voting Power
 - 27 Countries together hold 1.4% of total Voting Power
 - Each member country's quota broadly reflects the size of its economy
- Board of Governors: one governor from each member country. Meets once a year.
- Day to day affairs are guided by the Executive Board & 24 Executive Directors. Managing Director of IMF is Chairman of Executive Board.

WHERE THE IMF GETS ITS MONEY

Most comes from the *quota subscriptions*

- the money each member contributes when joining the IMF
- Quotas also determine how much each member can borrow from the IMF when in need of aid

General Arrangements to Borrow (1962)

- line of credit set up with several governments and banks throughout the world

SPECIAL DRAWING RIGHT (SDRS)

- **SDR is an invented currency**
 - its value is based on the worth of the world's five major currencies
dollars, euros, pounds sterling, or Japanese yen.
Countries pay 25 percent of their quota subscriptions in SDRs.
They pay the remaining 75 percent in their own currencies

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Thank you.....

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