

Ayman M Al-Sayari: Statement - International Monetary and Financial Committee

Statement by His Excellency Mr Ayman Al-Sayari, Governor of the Saudi Central Bank, to the International Monetary and Financial Committee (IMFC), Washington DC, 16 April 2026.

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The war in the Middle East constitutes a material test for both the global economy and the multilateral system, at a time of already elevated uncertainty. As geopolitical tensions, financial vulnerabilities, trade frictions, and technological change interact in increasingly complex and persistent ways, the international monetary system is placing greater reliance on a credible and effective IMF, anchored in its core mandate of safeguarding global macroeconomic and financial stability.

We support the direction for the Fund set out in the Managing Director's Global Policy Agenda. In particular, we support the importance of addressing near-term economic consequences of the war in the Middle East, while maintaining focus on medium-term priorities that support global resilience, stability, and growth.

We welcome the achievement of consensus on the Diriyah Guiding Principles, which fulfill the mandate of the Diriyah Declaration and mark a historic milestone in the Fund's governance reform process, following nearly two decades of impasse. The Diriyah Principles reflect both pragmatism and ambition, and provide a common starting point from which the membership can collectively move forward.

Global Economy: Heightened Risks and Wider Spillovers

The war in the Middle East adds to the downside risks, with potential for the global economy to experience conditions similar to those of the stagflation episode in the 1970s. The resulting negative supply shock is likely to have implications that surpass those experienced during the post-pandemic energy shock, given the already fragile global backdrop characterized by subdued growth, elevated debt, and constrained policy space. Disruptions to shipping routes and energy supply chains, particularly oil and gas, are increasing energy insecurity and propagating through commodity markets, financial conditions, and confidence channels. The breadth and persistence of these effects may be underappreciated, particularly as spillovers extend beyond energy markets and the Middle East. Economies with limited buffers, including commodity importers, Low-Income Countries (LICs) and Fragile and Conflict-Affected States (FCSs), are likely to face the most acute impacts, compounding pre-existing structural vulnerabilities.

The disruption underscores the systemic importance of energy security and its associated supply chains for the global economy. Indeed, spillovers are extending beyond crude oil and Liquefied Natural Gas (LNG) to refined products, fertilizers, and other critical inputs, with implications for transport costs, food security, industrial production, and price stability. Prolonged disruption risks entrenching weaker growth, higher inflation expectations, and tighter financial conditions across the global economy.

Energy security should therefore be treated as integral to macroeconomic and financial stability, and it is equally important to avoid policy conclusions that understate the continued role of fossil fuels in sustaining and supporting global growth, trade, and production. Energy security derives from managing risks proactively. For instance, Saudi Arabia's decades-long investment in energy security, including in our East-West pipeline now enables the redirection of oil exports to our western ports and has proven to be a lifeline, not just for Saudi exports, but also for global energy supply, contributing meaningfully to energy market stability.

Policymakers should remain vigilant, guided by forward-looking, well-calibrated, and credible policy frameworks to strengthen resilience and limit persistent spillovers. Greater global policy coordination will be critical. Fiscal policy should preserve confidence and rebuild buffers where feasible, while prioritizing the quality of spending and investment, and safeguarding energy security. Monetary policy must safeguard credibility and price stability. Financial sector policies should reinforce resilience and contain spillovers, including through effective oversight of NBFIs, and continued implementation of international regulatory standards. Structural policies should place greater emphasis on resilience, including energy security, critical infrastructure, and strong institutions.

The MENAP region sits at the center of global energy supply and major shipping routes. A prolonged conflict could leave lasting scars on energy access worldwide, further weighing on growth and stability. Many MENAP economies face a difficult combination of high import dependence, tighter financing conditions, weaker buffers, and institutional constraints. Implications on FCS are even more severe. Higher food and energy costs, disrupted trade routes, declining aid flows, and tighter external financing can quickly compound already acute vulnerabilities and deepen ongoing humanitarian crises. The region will require vigilance and proactive differentiated support from the Fund, including financing where appropriate, as well as sustained capacity development and targeted technical assistance to help preserve core institutions, maintain policy capability, and support recovery where conditions permit.

IMF Role in a More Complex Global Environment

In this environment, the Fund's continued relevance will depend on its ability to keep surveillance, lending, and capacity development firmly anchored in its core mandate of safeguarding macroeconomic and financial stability. The ongoing energy shock is expected to increase demand for the Fund's resources. In this context, while the IMF remains adequately resourced, enhanced coordination with Regional Financing Arrangements (RFAs) will be important to further strengthen the Global Financial Safety Net (GFSN).

Members look first and foremost to the Fund for credible and realistic policy advice, tailored financial support, and effective capacity development. They look to the Fund as a trusted multilateral forum for diagnosing shared risks, fostering policy cooperation, and supporting collective responses at a time of growing fragmentation. This focus should guide the Fund's work program, budget decisions, and institutional priorities. In a constrained resource environment, this requires prioritization, avoiding duplication, and

more systematic collaboration with other international institutions. It also requires protecting operational resilience and managing enterprise risks. We recognize staff for continuing to deliver to a very high standard under sustained workload pressures.

Surveillance should remain central to the Fund's mandate, with a stronger focus on early risk identification and tailored policy advice. The Comprehensive Surveillance Review should strengthen this role by firmly anchoring surveillance in the Articles of Agreement, sharpening the treatment of balance-of-payments stability and outward spillovers, and ensuring stronger integration of external sector issues into bilateral surveillance. The Fund should help resolve global imbalances in a collaborative and even-handed manner. Large and persistent imbalances warrant closer attention when they reflect distortions, create macro-financial vulnerabilities, or risk unwinding in a disorderly manner with significant spillovers. Adjustment should therefore continue to rest primarily on domestic policy rebalancing. External sector assessments must remain attentive to country circumstances and avoid mechanistic treatment, particularly in commodity-exporting and resource-rich economies, where intertemporal smoothing, confidence preservation, and intergenerational considerations can play a stabilizing role.

The evolving financial landscape should command greater attention in the Fund's work. The Fund should strive to remain ahead of the curve on developments that increasingly shape macro-financial stability. The forthcoming financial surveillance should remain fit for a system that is more complex, market-based, and technologically driven. The growing importance of NBFIs, weaker conventional transmission channels, and denser cross-border linkages are reshaping how vulnerabilities build and spread. Digital assets and financial innovation offer greater ease of payment but also open new channels for spillovers and systemic risk. Artificial intelligence adds a further strategic dimension. The Fund should deepen its understanding of these developments in a manner that is disciplined, practical, clearly anchored in its mandate, and closely coordinated with global standard-setting bodies.

The same discipline should guide the Fund's lending. The Review of Conditionality should help reinforce a more focused approach to program design, with greater weight placed on prioritization, sequencing, and realism. Programs are most effective when they remain centered on achieving external stability and safeguarding macroeconomic credibility, while taking proper account of institutional capacity, country ownership, political economy, and implementation constraints.

Debt vulnerabilities will remain a central challenge across parts of the membership. Lasting progress requires country ownership and structural reforms as the foundation. Where debt is sustainable, the task is to rebuild fiscal buffers. Where it is not sustainable, then timely and orderly restructuring is essential. Here, the G20 Common Framework, as the only platform that gathers all relevant creditors, should continue to be enhanced to address these growing challenges. Indeed, this issue is especially relevant for LICs and FCS facing tighter financing conditions and rising external pressures, and for those members with limited access to the GFSN. FCS require particular realism in Fund engagement, including careful calibration of program ambition and continued support for institution building.

Capacity Development remains central to the Fund's impact, particularly in LICs and FCS. Its value is greatest when integrated with surveillance and lending, focused on the

Fund's core areas of expertise and directed toward strengthening institutions and improving members' ability to design and implement sound policies. Saudi Arabia reaffirms its support to Fund CD, reflected in our USD 279 million pledge and establishment of the Regional Office in Riyadh, helping expand CD's reach across the region and beyond.

We welcome the successful second edition of AIUIa Conference for Emerging Market Economies, co-organized by the Kingdom of Saudi Arabia and the IMF, which provided a platform for policymakers from emerging markets, as well as leaders from the public and private sectors, international institutions, and academia to exchange practical experience on the common challenges facing EMDEs, and the reforms needed to support resilience and stronger long-term growth in a particularly challenging global environment.

Saudi Arabia's Economic Resilience and Reform Progress

Saudi Arabia's economy continues to successfully implement its transformational agenda while demonstrating strong resilience, supported by sound macroeconomic management, robust buffers, and sustained implementation of Vision 2030. Growth remains solid, inflation contained, affording the Kingdom the ability to face the heightened regional uncertainty from a position of macro-financial strength. This resilience reflects not only prudent near-term policy management but also the cumulative impact of long-term structural reforms and investment. Markets have continued to respond positively to Saudi Arabia's fundamentals, recognizing that decades of structural reforms, infrastructure investment, institution building, and strategic foresight have materially strengthened the Kingdom's shock-absorption capacity and operational flexibility. Our diversified energy and trade infrastructure, including substantial Red Sea port capacity, alternative export routes such as the East-West Pipeline to Yanbu, and domestic and international storage buffers, reinforces continuity of supply and resilience under stress. Taken together, these strengths reflect the value of long-term planning and have positioned the Kingdom to absorb shocks, preserve confidence, and serve as vital lifeline to the global economy.