Mona
Assistant Professor
Department of Economics
Maharaja College, Ara
Veer Kunwar Singh University
B.A.Part-1(subsidiary)
Paper-1
Topic: Objectives of IMF
Email address:monapryal2223@gmail.com

Objectives of IMF:

The International Monetary Fund is a 189-member organization that works to stabilize the global economy.

The IMF meets its goal by targeting three objectives:

- It monitors global conditions and identifies risks among its member countries.
- It advises its members on how to improve their economies.
- It provides technical assistance and short-term loans to prevent financial crises. The IMF's goal is to prevent these disasters by guiding its members.

Survey Global Conditions:

The IMF has the rare ability to look into and review the economies of all its member countries. As a result, it has its finger on the pulse of the global economy better than any other organization.

> *The IMF produces a wealth of analytical reports. It provides the World Economic Outlook, the Global Financial Stability Report, and the Fiscal Monitor each year. It also delves into regional and country-specific assessments. It uses this information to determine which countries need to improve their policies. Hence, the IMF can identify which countries threaten global stability. The member countries have agreed to listen to the IMF's recommendations because they want to improve their economies and remove these threats.*

Advise Member Countries:

Since the Mexican peso crisis of 1994–95 and the Asian crisis of 1997–98, the IMF has taken a more active role to help countries prevent financial crises. It develops standards that its members should follow.3

For example, members agree to provide adequate foreign exchange reserves in good times.That helps them increase spending to boost their economies during recessions. It reports on member countries' observance of these standards.

The IMF also issues member country reports that investors use to make well-informed decisions. That improves the functioning of financial markets. The IMF also encourages sustained growth and high living standards, which is the best way to reduce members' vulnerability to crises.

Provide Technical Assistance and Short-term Loans:

The IMF provides loans to help its members tackle their balance of payments problems, stabilize their economies, and restore sustainable growth.

Because the Fund lends money, it's often confused with the World Bank. The World Bank lends money to developing countries for specific projects that will fight poverty.7 Unlike the World Bank and other development agencies, the IMF does not finance projects.

Traditionally, most IMF borrowers were developing countries. They had limited access to international capital markets due to their economic difficulties. An IMF loan signals that a country's economic policies are on the right track. That reassures investors and acts as a catalyst for attracting funds from other sources.