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Pakistan paid over \$3.5b in interest to IMF

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In the last forty years, Pakistan has paid over \$3.5 billion in interest on loans to the International Monetary Fund (IMF). This revelation was made during a meeting of the Senate's Standing Committee on Economic Affairs, chaired by Senator Saifullah Abro, on Thursday at the Parliament House. The Ministry of Finance presented details of the loans and repayments made to the IMF so far. During the briefing by officials from the Ministry of Finance and the State Bank of Pakistan, it was disclosed that Pakistan has paid over \$3.60 billion in interest to the IMF. The documents

revealed that the interest paid amounts to over Rs1,000 billion in Pakistani currency. Over the past 30 years, Pakistan has borrowed approximately \$29 billion from the IMF and has repaid more than \$21.72 billion in the same period. In the last four years alone, Pakistan borrowed over \$6.26 billion from the IMF and repaid \$4.52 billion. Additionally, in the last four years, Pakistan has paid over \$1.10 billion in interest to the IMF. In 2024, Pakistan borrowed \$1.35 billion Special Drawing Rights (SDRs) from the IMF and repaid \$646.69 million SDRs. SDRs are an international reserve asset created by the IMF. They are used to supplement the official reserves of member countries and can be exchanged among governments for freely usable currencies in times of need. The value of SDRs is based on a basket of major international currencies. Committee member Senator Kamil Ali Agha criticized the Ministry of Finance and SBP officials, stating, “Don’t tell us stories; tell us how much we have borrowed from the IMF and how much we still have to repay. We are always told that the IMF comes to fix us.” He questioned how much interest had been paid to the IMF, to which the Ministry of Finance officials responded that Pakistan borrowed \$19.55 billion SDRs from the IMF since 1984 and repaid \$14.71 billion SDRs, with \$2.44 billion SDRs paid in interest. The committee chairman remarked that the country is not getting destroyed on its own “but we all have a part in its destruction”. The committee later sought details of every programme with the IMF, stating that the committee should be informed about what has happened in each programme.

The Ministry of Economic Affairs officials briefed the Senate's committee that there are 58 projects in the country running on loans from the World Bank, with a commitment of \$14,806 million. So far, \$6,162 million has been disbursed for these projects. The meeting was informed that a 762 kV transmission line from Dasu to Islamabad will be laid, with a World Bank commitment of \$700 million, out of which \$112 million has already been disbursed. The Dasu-Islamabad transmission line project is expected to be completed by June 30, 2025. The Tarbela Fourth Extension Project has a commitment of \$390 million, with \$159 million already disbursed. The Tarbela Fourth Extension Hydropower Project is expected to be completed by September 30, 2027.