Bolivia receives $1.9 billion loan from the IMF



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Bolivia has reached an agreement with the International Monetary Fund (IMF) for a **loan of $1.9 billion (spread over three years) to help the country tackle a deep economic crisis.**

The main reasons for this financial support are the **economic crisis and instability** that the country is facing.

Bolivia has **persistent budget deficits, high inflation and a sharply contracted economy.**

Moreover, a decades-long decline in the production of natural gas (one of the country's main export products) has seriously **shrunk foreign exchange reserves (especially dollars).**

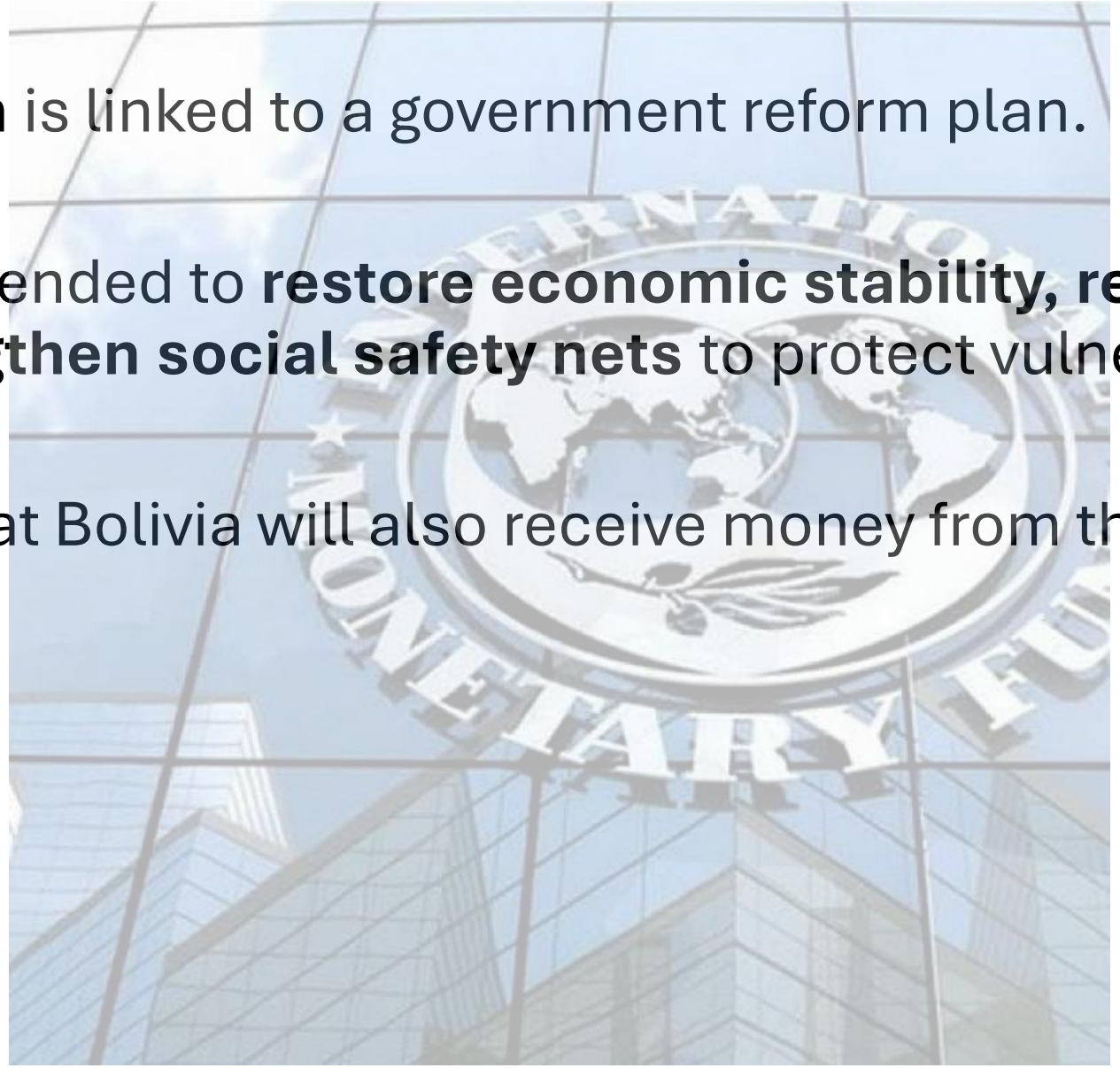
This shortage of dollars **threatens imports and can cause high inflation**.



The IMF program is linked to a government reform plan.

The money is intended to **restore economic stability, reduce public debt and strengthen social safety nets** to protect vulnerable families.

It is expected that Bolivia will also receive money from the **World Bank**.




IMF
AN INTRODUCTION

The International Monetary Fund (IMF) was **established in 1944 at the Bretton Woods Conference in the U.S.**

The aim was to **restore the global economy and promote international financial cooperation.** Many countries had to deal with major economic problems due to the war. Therefore, they wanted to create an organization that could promote financial stability.

The IMF helps countries that are in financial difficulties by providing **loans.**



In return, countries often have to implement **economic reforms.**

In addition, the IMF **monitors the global economy and advises governments.**

The organization also **promotes international trade and economic growth.**

Almost all countries in the world are now members of the IMF.



The organization is headquartered in the capital of the U.S.

The member states pay a **financial contribution**, which is used to finance the loans.

The IMF **works with the World Bank** and other international organizations.

(The World Bank focuses on **aid to developing countries.**)





Although the IMF has helped many countries, it is sometimes criticized because the conditions imposed can be strict.

Proponents believe that these **conditions are necessary** to restore healthy economies.

Opponents believe that they sometimes **lead to austerity and social problems**, such as poverty.

Despite these criticisms, the IMF remains an important organization for the stability of the global economy.