

## IMF backs Dubai government's debt restructuring plan

Dubai announced its debt restructuring proposal to creditors offering 100 per cent repayment of all debts in five and eight year tranches

By Saifur Rahman, Business Editor

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A final proposal on the debt could involve tranches with different repayment profiles.

Image Credit: Ahmed Ramzan/Gulf News

Dubai: The International Monetary Fund (IMF) has praised the Dubai Government for offering "a fair and equitable solution for all stakeholders" in its \$23.6 billion debt restructuring plan announced on Thursday.

"Today's announcement by the Chairman of the Dubai Supreme Fiscal Committee for the restructuring of liabilities of Dubai World (DW) and Nakheel is a welcome further step in the debt restructuring process. We support the authorities intention to find a fair and equitable solution for all stakeholders," IMF said in a statement issued on Thursday evening, a copy of which was obtained by *Gulf News*.

Dubai Government on Tuesday morning announced its debt restructuring proposal to creditors offering 100 per cent repayment of all debts in five and eight year tranches while injecting \$9.5 billion into Dubai World and Nakheel as part of a recapitalization plan that will help both the entities to move forward.

"A satisfactory conclusion of this process will pave the way for improving overall credit conditions, the investment climate, and economic activity in the Emirate of Dubai and the UAE," the IMF statement said.

"We encourage all parties to build on the momentum and work together in satisfactorily concluding Dubai World's debt restructuring."

Dubai Government's announcement was immediately greeted by investors as Dubai Financial Market index recorded a 4.3 per cent jump – the biggest in recent weeks.

Analysts expressed their optimism as well.

"The government's press release has clearly improved market sentiment by providing more clarity and has put some proper meat on the bones of the



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restructuring plan," Baldwin Berges, Managing Director of UK based Silk Invest Limited, said in his reaction.

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