



### IMF says to leave Latvia until new govt formed

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The International Monetary Fund (IMF) mission to Latvia said Tuesday it will leave the crisis-hit country at the end of the week and return once the new government is sworn in.

"The IMF mission will return to Washington at the end of this week and continue its work with the authorities from there," said Christoph Rosenberg, the chief of the IMF mission.

"It will be ready to return to Riga and continue the discussions after a new government has taken office," he said.

A group of experts has been visiting Latvia to review the government's progress in implementing the IMF-led 7.5 billion euro (9.6 billion dollars) bailout package that Latvia was forced to seek in December.

The coalition government led by Prime Minister Ivars Godmanis collapsed on Friday due to infighting.

Latvia's President Valdis Zatlers launched talks on Monday to form a new government.

He is expected to announce his choice for prime minister on Thursday. But the choice will still have to muster coalition support in the 100-member unicameral parliament.

The multi-billion euro bailout financed by the IMF, EU and other international lenders came after the government nationalised Latvia's second-biggest bank, Parex, in an attempt to stave off a crisis in the financial sector.

As part of the IMF deal, the government has slashed public spending with unpopular measures including a 15-percent pay cut for civil servants, as well as tax hikes that have fueled public discontent.

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