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Washington, November 20 (RHC)-- The global economy's recovery from the coronavirus pandemic is losing steam even as vaccine breakthroughs offer hope and "the economic path ahead remains difficult and prone to setbacks," the managing director of the International Monetary Fund warned before this week's virtual Group of 20 (G-20) summit.

Governments must respond to the continued economic and public health uncertainty from the COVID-19 crisis with strong, concerted policy action to keep the pandemic from leaving indelible economic scars, the fund's managing director, Kristalina Georgieva, wrote in an IMFBlog post.

"A deep toll is already evident: The IMF has projected global GDP will contract by 4.4 percent in 2020 – and growth will remain at a modest 5.2 percent next year as countries experience a "partial and uneven recovery".

The outlook has worsened for developing countries, and the fallout from COVID-19 is expected to leave global GDP more than 6 percentage points below pre-pandemic projections for 2021. Georgieva urged cooperation from IMF members states on three key priorities: ending the coronavirus health crisis, shoring up the economic bridge to recovery and laying down the foundations for a more just and inclusive economy for the coming decade.

The IMF is an organization made up of 190 countries focused on global monetary policy, trade and poverty reduction. Countries must increase public spending on treatment, testing and contact tracing for COVID-19, remove trade restrictions on medical goods and services, and increase "multilateral efforts on the manufacturing, purchase and distribution" of vaccines, treatments and tests, especially for low-income nations, Georgieva wrote.

The IMF's managing director also urged countries to renew their fiscal support for hard-hit workers and businesses, including "cash transfers to households, job retention support, and augmented unemployment benefits", many of which have already expired or are set to expire at the end of this year.

Investment in infrastructure that addresses climate goals is also key, said Georgieva, adding that a multilateral approach would actually save countries money over time and double the boost to global GDP.

An "unsynchronised approach" would lead to just under 1.2 percent in global GDP growth by 2025, compared with 2 percent if countries were to work together, she argued. Environmental sustainability and support for workers as they transition to new industries after the global disruption of the coronavirus crisis is also key, Georgieva wrote, urging G20 leaders to remember who is not at the table during this weekend's summit and pledge their support for helping poorer nations through the economic recovery.

G-20 leaders are slated to gather on November 21. But unlike in previous years, world leaders will not be standing together for a big group photo. Due to the pandemic, the summit will be held virtually and hosted by Saudi Arabia.

Some U.S. and European Union legislators have urged their countries to boycott or downgrade their attendance at the summit unless Saudi authorities address serious human rights abuses, including the kingdom's continuing war in Yemen, the murder of Saudi journalist Jamal Khashoggi and the jailing of activists in Riyadh.



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