



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-Second Meeting October 16–17, 2025

Statement No. 52-29

Statement by Mr. Giorgetti Italy

On behalf of
Albania, Greece, Italy, Malta, Portugal, and Republic of San Marino

IMF-World Bank Group Annual Meetings – October 13-18, 2025

IMFC Statement by Mr. Giancarlo Giorgetti, Minister of the Economy and Finance, Italy

On behalf of Albania, Greece, Italy, Malta, Portugal, and Republic of San Marino

Russia's war of aggression against Ukraine, the spiraling conflict in the Middle East, and other armed conflicts are humanitarian catastrophes. These continue to be a major source of uncertainty.

The global economy has shown resilience in the first half of the year, benefiting from front-loaded investment and trade but these temporary factors are progressively disappearing. Higher trade tariffs and geopolitical uncertainty are straining the global economy, while policy space is more limited and debt levels are historically high.

Risks in the financial system warrant close monitoring, mainly because of the expansion of non-bank financial intermediaries (NBFI) and fast developing digital assets.

The European Union (EU) economy is underpinned by solid fundamentals and institutions and is expected to remain resilient. Following stronger-than-anticipated growth, activity is projected to expand at a moderate rate. Financial conditions remain favorable. Euro area inflation has hovered around the 2 percent target and is expected to stay near that level. While the outlook is clouded by downside risks and considerable uncertainty, in our constituency there are also positive growth drivers, notably increased infrastructure investment through the National Recovery and Resilience Plans.

In this context, the EU, as a major open economy, must seize these global shifts and aim for balanced growth, enhancing reforms such as reinforcing the single market, reducing regulatory barriers and completing the Saving and Investment Union. In addition, the EU must accelerate the adoption of new technologies, like AI, by the private sector, and address structural challenges such as aging population and productivity stagnation. Moreover, the EU can continue to leverage strong institutions, including fiscal councils, productivity boards and independent central banks, that are essential for macroeconomic stability and long-term growth

Sound domestic policies and strong economic institutions are needed to build resilience. In the current challenging global environment, achieving a sustainable decline in the debt-to-GDP ratio hinges on raising economic growth, but this objective must be pursued alongside a steadfast commitment to fiscal prudence.

Countries within our constituency are actively utilizing the tools at their disposal to effectively reduce fiscal deficits. In the meantime, they recognize the importance of implementing

structural reforms and boosting public and private investment to raise potential growth and increase productivity. We recognize the necessity of ensuring adequate concessional financing through multilateral institutions and broader support such as capacity development and technical assistance, to foster sustainable and long-term growth in all countries. In this context, we recall Italy's recent contribution to the IMF's Anti-Money Laundering and Combating the Financing of Terrorism Thematic Fund and we reaffirm our offer to support and to host the Southeast Europe Technical Assistance Center (SEETAC) in Rome, to bolster Albania's and other Balkan countries' accession to the EU, as well as Italy's commitment to the Mattei Plan for Africa.

The Fund should continue to uphold its role in promoting global monetary and financial cooperation, providing independent policy advice and helping address members' needs. It is fulfilling its mandate diligently but it has to continue adapting to a rapidly changing and uncertain world.

The Fund is a central pillar of the Global Financial Safety Net (GFSN). Furthermore, in the face of declining Official Development Aid and reduced fiscal policy buffers, ensuring support for Low-Income Countries (LICs) through the Poverty Reduction and Growth Trust (PRGT) remains key. Similarly, the Resilience and Sustainability Trust (RST) is vital to support vulnerable members' response to current or prospective balance of payments needs arising from climate- and pandemic-related shocks.

The Fund should persist in its crucial role of helping address debt-related vulnerabilities and enhancing the debt architecture.

The Fund should use the ongoing Comprehensive Surveillance Review to operationalize the concept of macro-criticality. At the multilateral level, it should focus on macroeconomic spillovers and cross-border externalities. In parallel, the 2026 Financial Sector Assessment Program (FSAP) Review is an opportunity to recalibrate financial surveillance amid rising risks from less regulated institutions, digital assets, and decentralization. Topics like fintech, cyber risk, and climate-related financial risks deserve special attention.

The ongoing Review of Program Design and Conditionality should be used to recalibrate the Fund's approach to macroeconomic adjustment. It should ensure that programs are macroeconomically sound, feasible, and less prone to reversals due to unsustainable policy decisions, contributing to enhancing their catalytic role. It should inform the upcoming review of the Exceptional Access Framework.

Countries in our constituency are close to completing the implementation of the 16th General Review of Quotas (GRQ). We are also prepared to engage in discussions on principles to guide

future discussions on IMF quotas and governance under the 17th GRQ, ensuring fair and broad burden-sharing and protecting the voice and representation of the poorest members.

Finally, we commend staff for their high-quality work under challenging conditions.