



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-Second Meeting October 16–17, 2025

Statement No. 52-21

Statement by Mr. Olawale Edun Nigeria

On behalf of

Benin, Burkina Faso, Côte d'Ivoire, The Gambia, Guinea, Guinea-Bissau, Liberia, Mali,
Islamic Republic of Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo

International Monetary Fund, Africa West Constituency

International Monetary and Financial Committee

Fifty Second Meeting

October 17, 2025

Statement by Honorable Wale Edun, Minister of Finance and Coordinating Minister of the Economy, for Nigeria, On behalf of Benin, Burkina Faso, Cote D'Ivoire, The Gambia, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

1. **Global growth slowdown calls for coordinated policies to reinforce stability, resilience, and sustained growth.** The global economy is experiencing a slowdown, with growth projections revised downward from 3.3 percent in 2024, to 3.2 percent in 2025, reflecting risks from protectionism, policy uncertainty, and market volatility. In addition, the global outlook remains fragile, underscoring the urgent need for targeted policy measures to bolster resilience and safeguard macroeconomic stability. There are, however, upside potential factors such as stronger trade agreements, productivity gains from technological advancements like Artificial Intelligence (AI), and faster implementation of structural reforms that could help reverse the trend. To this end, we call on policymakers to uphold fiscal sustainability, improve domestic revenue mobilization, rebuild buffers, and maintain institutional independence, particularly of central banks, to effectively anchor inflation expectations and preserve economic credibility. Strengthening financial sector policies is also crucial to address emerging risks in financial markets and banking sectors. In addition, we urge efforts focusing on pairing trade diplomacy with domestic rebalancing to correct external imbalances. Supporting financial stability through appropriate monetary and fiscal measures is equally essential. In this context, we advocate a strategic mix of prudent fiscal policies, strengthened financial regulation, and proactive trade and structural reform measures to weather shocks, sustain growth, and build a more resilient global economy.

2. **Global disinflation gains momentum amid persistent core pressures and diverging monetary paths.** Global inflation continues its disinflationary trend through mid-2025, with rates easing to around 3.5 percent due to lower energy and food prices and prior monetary tightening. Core inflation remains at 2-3 percent globally, driven by persistent services costs, especially in emerging markets at 4-6 percent. Advanced economies see core inflation at 2-2.5 percent due to weak wage growth and supply chain adjustments, while U.S. import prices are stable, limiting core goods reflation. The October 2025 World Economic Outlook forecasts global core inflation to reach 2.5-3.0 percent by end-2025, with advanced economies at 2.0 percent and emerging markets at 3-4 percent by 2026. Tariff effects could raise core inflation by 0.5-1 percentage points. Policymakers should ensure central bank independence, improve monetary frameworks, and adjust interest rates for stability, while implementing measures like fiscal consolidation and trade policies to manage volatility and support recovery.

3. **Given resilient growth amid fiscal strain, Sub-Saharan Africa requires sustaining recovery through reform for achieving sustained and stronger growth and increased domestic resource mobilization.** The March 2025 report on Macroeconomic Developments and Prospects in Low-Income Countries uncovers marked heterogeneity among LICs, with

the major conclusion that the more diversified economies have been the top performers. Policymakers, including in Sub-Saharan Africa should therefore focus on structural reforms to advance economic transformation and diversification. The economic performance of the region as a whole in October 2025 shows resilience, with projected GDP growth at 4.1 percent, equivalent to 2024 levels. This stability reflects macroeconomic improvements amid external shocks, despite existing vulnerabilities. Inflation has decreased from over 6.0 percent at the end of 2023 to approximately 4.0 percent, mainly due to lower global food and energy prices. However, about one-fifth of the region still experiences inflation above pre-COVID-19 levels, posing risks to economic stability. The region faces fiscal and debt vulnerabilities, with high debt ratios jeopardizing sustainability and over a third of countries in debt distress. We are concerned about the declining external aid that threatens funding for essential programs that have helped to fight against poverty, thus jeopardizing progress toward the Sustainable Development Goals (SDGs), and further weakening the prospects for income convergence, particularly in low-income economies. Domestic financial challenges arise from high financing costs and underdeveloped markets, necessitating prudent management to prevent financial instability. To achieve sustainable growth, cautious monetary policies are crucial, alongside structural reforms focused on fiscal space improvement, domestic market development, diversification and enhanced private sector investment, reducing dependence on external aid.

4. We advocate navigating fiscal challenges through efficient spending and reforms boosting domestic resource mobilization, to sustain growth and build resilience. In a slow-growth economy with high debt and rising costs, governments must shift to efficient spending and reforms to maintain living standards and achieve debt sustainability. Policymakers need to redirect resources from low-impact areas to high-return investments in infrastructure, human capital, and R&D to promote growth and resilience. Addressing efficiency gaps—39.0 percent in low-income economies, 34.0 percent in emerging markets, and 31.0 percent in advanced economies—requires focusing on productivity-enhancing expenditures while reducing overhead costs. This entails enhancing infrastructure and human capital and ensuring public funds boost growth without increasing deficits. In parallel, sustained domestic revenue mobilization is critical to achieve fiscal and debt sustainability, and must be given due consideration in a balanced fiscal consolidation. However, strategies must fit country contexts and be mindful of the need to protect vulnerable populations. They require institutional strengthening, anti-corruption measures, and better budget processes, alongside private sector involvement and regular spending reviews, especially in developing economies, to optimize resources for stability and inclusive development.

5. Heightened financial fragility calls for coordinated global action to reinforce stability and contain market vulnerabilities. The October 2025 Global Financial Stability Report highlights a significant shift in the global financial system, moving from overconfidence to increased concerns, triggered notably by the U.S. tariff announcement on April 2, that led to a major equity sell-off and exposed vulnerabilities, including asset repricing risks, leverage pressures in nonbanks linked to banks, and rising sovereign debt overhangs threatening bond market stability. These dynamics heighten financial stability risks, requiring enhanced resilience amid uncertainty. The report warns of contagion paths, necessitating proactive policy actions to mitigate risks. We, therefore, endorse immediate policy priorities including bolstering macroprudential frameworks, pursuing fiscal consolidation, and implementing

central bank interventions to support markets. Furthermore, we support strategies involving enhanced monitoring of financial exposures and fostering trade diplomacy to ease uncertainties, all aimed at restoring trust and ensuring financial stability.

6. **We welcome the Managing Director's Global Policy Agenda (GPA)**, which aims to guide member countries through a profound economic transformation driven by sweeping policy shifts in trade, digital money, immigration, and spending priorities. The GPA emphasizes the need to preserve macroeconomic and financial stability while fostering collaborative global action to navigate these transitions. It projects a resilient, yet straining global economy, with growth expected to slow to 3.2 percent in 2025 from 3.3 percent in 2024 amid front-loaded investment and trade, declining inflation with regional disparities, and emerging pressures from softening labor markets and tariff pass-throughs effects. The strategic road map promotes a risk-management approach to uncertainty, highlighting opportunities like resilient supply chains and trade diversification, while underscoring the Fund's commitment to tailored support through advice, capacity building, and financing to modernize its frameworks for agility. We support its resolve to address elevated downside risks, including rising protectionism, labor supply disruptions, vulnerabilities from the expansion of nonbank financial institutions, digital currencies, geopolitical tensions, and disappointing AI productivity gains that could trigger asset repricing.

7. **We acknowledge the warning of excess global external imbalances**, which widened by 0.6 percentage points of world GDP in 2024.. These imbalances threaten the International Monetary System's stability through distorted resource allocation, unsustainable capital flows, and heightened protectionism. In this regard, we welcome the upside potential, such as durable trade deals, AI-driven productivity boosts, and reform momentum, as catalysts for growth and rebalancing. We, therefore, underscore the urgency of tackling low growth and high debt, particularly in developing economies, where limited fiscal capacity, and security pressures increase risks of sovereign instability and reduced priority spending due to aid cuts.

8. **We endorse the GPA's policy recommendation on restoring confidence and stability through decisive actions to bolster policy credibility and foster public trust.** We agree that this would entail restoring depleted policy buffers via sustained, medium-term fiscal adjustments that ensure debt sustainability, rebuilding buffers, and prioritizing growth-enhancing measures like broadening tax bases, improving revenue administration, and redirecting spending to R&D, infrastructure, and skills development while protecting essential social investments and ensuring fair burden-sharing. In this context, we support preserving strong, independent core institutions, particularly central banks, financial supervisors, fiscal councils, and statistical agencies, to underpin credibility and trust, alongside contingency planning for future shocks. Regarding external imbalances, we recommend pairing trade diplomacy with domestic rebalancing to correct distortions and encourage low-income countries to redouble domestic resource mobilization, with donors urged to enhance support.

9. **We welcome the Fund's role in promoting enhanced bilateral surveillance with detailed, scenario-based advice in reports**, supporting the development of robust institutions as drivers of resilience, particularly in emerging markets per WEO Chapter 2, and helping in calibrating fiscal adjustments for long-term needs like aging and national security. We are therefore pleased that the agenda emphasizes the importance of comprehensive

surveillance, including the ongoing Comprehensive Surveillance Review, to tailor policy advice that promotes resilience, manages external imbalances, and addresses spillover risks. We also look forward to the ongoing Review of Program Design and Conditionality which will help strengthen further the effectiveness of IMF-supported programs to better support members' external viability and resilience. While applauding the Fund's modernization of internal processes and frameworks to support the strategic goals toward ensuring agility and responsiveness to global shifts, we commend the balanced, forward-looking strategy of the agenda. It harnesses transformative forces, including digital technologies, demographics, and climate transitions, through structural reforms and investment, mitigating risks to sustain inclusive growth and smooth global functioning. At the same time, we welcome the agenda's recommendation to enhance capacity development to improve countries' ability to implement reforms effectively and respond to emerging challenges. In this direction, we emphasize the need for regular updates to tools for assessing emerging macro-financial risks, given the interconnectedness of institutions and global economies.

10. A central issue for LICs is their limited access to the Global Financial Network (GFN), leading to heavy reliance on self-insurance through reserves and IMF assistance. In this regard, we urge rebuilding policy space and buffers with robust macroeconomic policies, expanding Regional Financing Arrangements (RFAs), enhancing transparency of Bilateral Swap Agreements (BSAs), and improving their activation criteria. These strategies would provide LICs with more reliable and accessible support, thus reducing their dependence on reserves and boosting resilience against future shocks. Additionally, the Global Financial Safety Net (GFSN) faces challenges due to uneven access to precautionary facilities, leaving many emerging markets reliant on costly self-insurance or IMF programs. We therefore call for strengthening the Fund by increasing its quota-based resources to reinforce its central, unconditional role as the ultimate global backstop, including ensuring a more even access to the Fund's liquidity facilities to ensure broad coverage of membership in the event of crisis. We also call for the voluntary channeling of SDRs, including multilateral development banks, to increase capacity to assist low-income countries.

11. Finally, we welcome progress on implementing the 50 percent quota increase under the 16th General Review of Quotas (GRQ) and encourage timely development of the principles guiding future discussions on quota and governance. At the same time, we support advancing the 17th GRQ to ensure the Fund's legitimacy, effectiveness, and representation, which are crucial for supporting the membership through these challenging times.