



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-First Meeting April 24–25, 2025

Statement No. 51-9

**Statement by Mr. Siluanov
Russian Federation**

On behalf of
Russian Federation and Syrian Arab Republic

STATEMENT
by the Minister of Finance of the Russian Federation,
IMF Governor for the Russian Federation
Anton Siluanov
at the IMFC Meeting
Washington DC, April 24-25, 2025

Global Economic Outlook

The global economy stands at a critical juncture. Growth projections have been significantly downgraded. We are witnessing heightened risks to financial stability, mounting inflationary pressures, and a weakening of fiscal discipline. The outlook remains uncertain and will depend on the international community's ability to reach agreements, restore cooperation, and promote technological innovation. It is essential to safeguard the gains achieved thus far and seize new opportunities, especially in the technological sector, which have the potential to significantly boost productivity and support sustainable economic growth.

The policy space in most economies is limited and continues to face a significant pressure. Unbalanced fiscal policies, compounded by successive shocks, have led to a substantial increase in the public debt and the depletion of fiscal buffers. Tightening liquidity conditions and weakening fiscal positions could trigger new waves of instability. Urgent fiscal consolidation is needed, including through the adoption of effective fiscal rules, to enhance market confidence and strengthen resilience of the financial system. This should be accompanied by reinforced fiscal discipline. However, there is still a lack of decisive action in this direction. Such inconsistency exacerbates risks to financial markets.

Refinancing conditions for countries with high public debt levels will worsen. In many of these economies, the risk of a debt crisis is already elevated, and significant volatility in global trade and financial markets could lead to the materialization of this risk – potentially culminating in a systemic debt crisis. How did countries reach this point? The unchecked accumulation of the public debt, including with the support of international organizations, has merely postponed the resolution of underlying debt vulnerabilities. Efforts should now focus on addressing the root causes of debt crises by establishing sound fiscal discipline and implementing structural reforms.

Countries should seize the opportunities arising from technological advancement. The widespread adoption of artificial intelligence (AI) is expected to become a key driver of economic growth in the medium term. AI holds significant potential to boost productivity and income across multiple sectors, improve fiscal discipline, and help mitigate challenges related to population aging. Another important technological opportunity lies in the development of decentralized finance (DeFi), which can reduce global transaction costs and enhance the security of international financial flows. DeFi is redefining the infrastructure of traditional finance and has the potential to improve transparency, accessibility, efficiency, convenience for users, and interoperability in the delivery of financial services. The extent to which such innovations drive structural changes in employment

and stimulate economic growth ultimately depends on institutional arrangements, regulatory and legal frameworks, and the ability to improve them in a timely manner. Domestic financial resources should become a key source of investment for economic transformation and achievement of technological independence.

The role of the IMF

Amid profound changes in the global economy, the need for a reliable, resilient, effective, and inclusive international monetary and financial system is becoming increasingly urgent. The core mission of the IMF is to oversee the international monetary and financial system, promote stability, and prevent crises, in accordance with its mandate set out in the Articles of Agreement. The IMF should enhance the effectiveness of both bilateral and multilateral surveillance, support member countries in strengthening institutional capacity, and continue to improve its lending toolkit.

To maintain its central role in the evolving global landscape, the IMF needs a long-term strategic vision. For the first time, the Managing Director's Global Policy Agenda has articulated medium-term priorities. However, it also reflects a number of important omissions. Key priorities for the Fund should include, among other things, supporting the development of the international financial infrastructure, expanding the use of Special Drawing Rights (SDRs), and adapting its surveillance activities to emerging sources of shocks. We call on the IMF to undertake a thorough and objective assessment of the impact of trade restrictions and sanctions on the international monetary and financial system and to develop measures to mitigate these effects.

Special attention should be given to the development of a more coherent, predictable, and accessible Global Financial Safety Net (GFSN). The fragmentation and politicization of central bank swap lines, especially in light of recent developments, undermine access to global liquidity. We support efforts to strengthen the IMF's precautionary instruments and to deepen macroeconomic research collaboration with Regional Financing Arrangements, including the BRICS Contingent Reserve Arrangement. The IMF should also safeguard Regional Financial Arrangements that form a part of the GFSN from the application of unilateral restrictive measures.

In the area of surveillance and policy advice, the IMF should focus on safeguarding financial stability and restoring fiscal sustainability. The Fund's fiscal policy recommendations should be more specific and subject to more rigorous monitoring. We call on the IMF to actively develop guidance for countries on domestic resource mobilization.

The IMF's lending toolkit needs to be strengthened. Currently, 73 percent of the Fund's financing from the General Resources Account is concentrated in just five borrowing countries, while many other vulnerable members receive insufficient support. In the volatile environment, the IMF should be prepared to provide timely assistance to all vulnerable member countries and ensure equal access to its lending instruments. A privileged or politicized approach is unacceptable; lending decisions must be made objectively and based on sound macroeconomic and

financial criteria. Demand for the Fund's lending resources could increase significantly in the near term. The IMF-supported programs should combine strong commitment to economic adjustment with realistic, country-tailored measures aimed at protecting critical social spending. In some cases, the IMF can play a catalytic role in restoring market confidence during times of crisis. Demand for the Fund's precautionary financing may also increase, particularly if other channels for stabilizing the international financial system weaken.

The legitimacy and effectiveness of the IMF depend on tangible progress in ensuring fair representation of countries within its governance framework. The governance reform at the IMF entails a broad set of measures, with quota realignment being a central component. The lack of progress in this area undermines the Fund's ability to develop effective and credible policy responses. After nearly two decades of discussions with limited results, trust in the reform process is at risk. Russia was among the first countries to complete the necessary domestic procedures for the implementation of the 16th General Review of Quotas. We urge the immediate commencement of work on the 17th General Review of Quotas, which should finally deliver an increase in the voice and representation of emerging and developing economies in the IMF's governance structure.

We call on the IMF to focus its efforts on the following key areas:

- Overseeing the international monetary and financial system to ensure its stability, effective operation, and compliance by all members with their obligations under the Articles of Agreement;
- Developing policy advice for countries aimed at strengthening fiscal discipline, improving public finances, mobilizing domestic resources, and enhancing the efficiency of tax administration;
- Assisting in the establishment of a multilateral system of payments for current transactions between member countries, as well as in the elimination of foreign exchange restrictions which hamper the growth of world trade;
- Advancing the development of alternative, more efficient, and technology-driven payment platforms, and promoting the expansion of trade in national currencies;
- Analyzing the impact of trade and unilateral restrictive measures on global economic growth and the negative spillover effects on third countries, and formulating measures to mitigate these effects;
- Expanding the toolkit for precautionary financing while improving eligibility and access criteria;
- Diversifying the Fund's borrower portfolio and depoliticizing its financing decisions;
- Enhancing the use of SDRs as international reserve assets, including through pricing and settlement in international trade, the development of new SDR instruments, and the expansion of the list of prescribed SDR holders.

Developments in Russia

Against the backdrop of challenging external conditions, the Russian economy has demonstrated resilience. Following a shallow and short-lived downturn, the economy has undergone a rapid transformation, with high GDP growth rates of 4.1 percent and 4.3 percent in

2023 and 2024, respectively. In 2025, a moderate deceleration in growth is expected amid declining inflation.

The expansion of economic activity has been accompanied by job creation and rising household incomes. Over the past two years, employment has increased by more than 2 million workers, while the unemployment rate has declined to a historic low of 2.4 percent (as of January–February 2025). Due to the increase in labor incomes, growth of real disposable incomes is estimated at 7.3 percent in 2024 (6.1 percent in 2023). At the same time, investment activity remains at an elevated level (7.4 percent growth in 2024), which will contribute to the increase of productive capacity in the coming years.

The resilience of the economy and the preservation of financial stability are largely **the result of our long-term commitment to responsible economic policy**: in particular, the federal budget remains broadly balanced (the deficit does not exceed 1-2 percent of GDP), and public debt level remains stable and under control (within 15 percent of GDP).

Going forward, macroeconomic policy will continue to focus on strengthening resilience, including through sound public finances. The federal budget for 2025–2027 has been developed on the basis of maintaining a zero primary structural deficit, fully in line with the fiscal rule. This approach will help shield the economy and public finances from external shocks, reinforce the country’s financial sovereignty and credibility of economic policy, and support long-term economic growth.

The Russian economy has a substantial policy space, and the effectiveness of the country’s institutions of responsible fiscal and monetary policy has been proven over time.