



## **INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE**

### **Forty-First Meeting April 16, 2020**

#### **IMFC Statement by Benabderrahmane Governor of the Bank of Algeria**

On behalf of  
Islamic Republic of Afghanistan, Algeria, Ghana, Islamic Republic of  
Iran, Libya, Morocco, Pakistan, and Tunisia

**Statement to the IMFC by Mr. Aimene Benabderrahmane  
Governor of the Bank of Algeria**

**Speaking on behalf of Afghanistan, Algeria, Ghana, Iran, Libya,  
Morocco, Pakistan, and Tunisia**

**Thursday, April 16, 2020**

On behalf of the authorities of countries in our constituency, I would like to extend my deep sympathy for the loss of lives and human suffering to countries hit by the COVID-19 outbreak. This crisis is like no other and no country is immune. We are facing a common enemy that can only be defeated by our joint effort.

Since our last IMFC virtual meeting, the pandemic has continued to take a devastating toll worldwide and on multiple fronts. The April 2020 WEO has slashed this year's economic growth projections significantly across the board. The great 2020 recession is expected to be deeper and more broad-based than the 2008–2009 GFC, and the outlook is clouded by extreme uncertainty and significant downside risks. The expectations are for a quick, almost symmetrical, V-shape recovery. While that is what we hope for, we should be prepared for a longer and less symmetrical recovery and be cognizant of the crisis' permanent scars on the world economy, trade and supply chains. The immediate priority is, however, saving lives and eradicating the pandemic globally. The loss of life is permanent, while the economic and financial fallout can be addressed by proportional and tailored policy response and enhanced global cooperation. We welcome the early policy actions of leading economies that are expected to have significant positive spillovers; greater coordination and synchronization would also amplify their global impact.

The authorities of countries in our constituency are sparing no efforts to contain the spread of the virus and address its attendant acute health crisis. Our authorities have also initiated stimulus packages to temper the crisis' immediate impact on economic activity and employment, protect the vulnerable population, and set the stage for a sustained inclusive recovery. The oil exporting countries in our constituency are additionally hard hit by the collapse of international oil prices. Large swings in oil prices create uncertainty and benefit neither the oil exporters nor the oil importers in the long run.

The impact of the crisis on low-income countries (LICs) —many already burdened by high debt and poverty—has been profound. These countries will need—more urgently and on a larger scale than before—concessionary financing, grants and debt relief to help them through the crisis and beyond. The plight of the fragile and conflicted-affected states, some with no recourse to IMF resources, is particularly concerning. We urge the international community to step up its humanitarian support and help meet the cost of refugees and internally displaced.

The IMF is central to the global effort to combat the crisis. The Fund moved quickly to streamline its internal processes and doubled the access limits of its emergency financing facilities during the crisis, thus sending a strong signal of its readiness to help members through the crisis. A number of our constituency members have already accessed the IMF's emergency quick-disbursing facilities and we expect our other constituency members, that have already applied, will also access IMF funding in the coming weeks. Under these extraordinary conditions, IMF emergency financing should be available to all members in an evenhanded manner and without exceptions.

In an environment of extreme uncertainty, the IMF's resource envelope should be sufficiently large to deal effectively with this still-unfolding crisis. We welcome enhancements to the Catastrophe Containment and Relief Trust to alleviate debt service pressures on LICs and call on the IMF to step up discussions on a short-term liquidity line instrument. The recent doubling of the New Arrangements to Borrow and the new round of Bilateral Borrowing Agreements were important milestones. A temporary increase of access limits for other IMF facilities would be appropriate in view of members' large financing needs. We also call for a substantial SDR allocation to boost global liquidity by supplementing members' foreign reserves, as was done in the last crisis. IMF quotas are the principal source of IMF resources. We strongly support revisiting, at an early date, the adequacy of IMF quotas and continuing the process of IMF governance reform under the 16<sup>th</sup> General Review of Quotas.

We endorse the Managing Director's focused Global Policy Agenda—appropriately themed on “Exceptional Times - Exceptional Action”—calling for immediate measures to slow the spread of the virus, strengthen the resilience of national health systems, and mitigate the economic fallout from the pandemic. We strongly support the Managing Director's call for greater global cooperation for restoring global growth and trade, and for members to avoid trade restrictions on medical supplies and other essentials that save precious lives during this truly global threat. It is important that the humanitarian dimension of this crisis is kept in full sight as we focus on common good.

Finally, our authorities extend their deep gratitude to Fund management and staff for their swift action, and for their dedicated and tireless efforts to help the membership through this crisis.