



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

**STATEMENT BY MINISTER OF FINANCE (SA), MR. TITO MBOWENI, AT THE
IMFC PLENARY SESSION GLOBAL POLICY AGENDA (GPA)**

DATE: THURSDAY, APRIL 16, 2020

TIME: 7:00 – 9:30 AM (EDT)

IMFC VIRTUAL MEETING

Dear Colleagues:

1. We thank the Managing Director for the Global Policy Agenda (GPA) presentation and agree with the theme “Exceptional Times – Exceptional Action”, which calls for urgent responses to mitigate the health and economic fallout from the pandemic.
2. We agree that all available tools must be used to stabilize the economic and social situation and support the call for urgent, coordinated and collective action to contain the pandemic, protect jobs, and restore growth.
3. As indicated in the World Economic Outlook projections, Sub-Saharan Africa (SSA) economies will be severely impacted, registering the sharpest contraction in economic activity in two decades.
4. We are concerned about the weak health systems, elevated debt vulnerabilities, diminished policy space and inadequate social safety nets, that make the region vulnerable to the pandemic. This is further exacerbated by the collapse of oil and other international commodity prices.
5. In excess of USD 100 billion is required to enable SSA countries to respond sufficiently to combating the pandemic, including additional resources of around USD 40 billion based on the kinetics of the pandemic.
6. Against this background, we welcome the Fund’s enhanced emergency lending toolkit that seeks to address urgent financing needs of emerging market and developing countries. We also commend the Managing Director’s fundraising efforts to replenish the Catastrophe Containment and Relief Trust (CCRT) and the PRGT, to provide debt relief and free up resources for vulnerable low-income countries to respond effectively to the Great Lockdown. We also

support the call by the IMF and the World Bank for a time-bound moratorium on debt service obligations, including to official bilateral creditors.

7. To alleviate the temporary liquidity pressures in some emerging market and frontier economies, we support the introduction of the Short-term Liquidity Line (SLL). Furthermore, we join calls for a general SDR allocation to help boost reserve positions, including in fragile states with restricted access to concessional resources. We believe that these initiatives will support efforts by the emerging markets and developing countries to respond to the challenges occasioned by the pandemic.
8. We underscore the need for policy coordination and solidarity in an interconnected world. In this respect we call on the international community to facilitate the flow of medical supplies to SSA during these exceptional times. Going forward, we urge the Fund to support economic recovery efforts and ensure a more resilient and sustainable global economy, once the urgency of the crisis abates.
9. Given the elevated risks and uncertainties related to the duration and path of the pandemic and attendant lockdowns, we urge the creditors under the New Arrangement to Borrow (NAB) and Bilateral Borrowing Agreements (BBA) to swiftly complete domestic ratification processes to ensure an adequately resourced IMF to perform its role at the center of the global financial safety net (GFSN).
10. I would like to support very strongly the statement by the President of the European Central Bank, Madam Christine Lagarde, that even in these difficult and challenging times we should remain resolute in protecting central bank independence. Central Bank independence has proven repeatedly to be a reliable strong pillar for macro-economic stability.

Thank you

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