


IMF Managing Director Christine Lagarde Calls for G20 Policies to Make Growth More Resilient and More Widely Shared

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Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), issued the following statement today at the conclusion of the Group of 20 (G20) Finance Ministers and Central Bank Governors Meeting in Buenos Aires, Argentina:

“As we conclude this G20 Finance Ministers and Central Bank Governors meeting—the first under Argentina’s leadership—the global economic recovery has continued to strengthen, with growth momentum now involving more than 80 percent of total G20 GDP. This provides for very welcome jobs growth and room to undertake important reforms. As I have said before, we should fix the roof while the sun shines.

“Reform is all the more important because the cyclical forces carrying current growth will eventually wane and medium-term prospects remain weak, especially in advanced economies. Beyond the short term, risks are accumulating—for example, debt levels are high in advanced economies and continue to increase in many emerging market and low-income countries; and global imbalances persist—and could be exacerbated by the policy mix in some of the major economies.

“In my discussions over the past two days, I have emphasized that now is an opportune moment to implement reforms to make growth more solid, sustainable, balanced, and inclusive. I joined others in reiterating that we should avoid the temptation of inward-looking policies and, rather, work together to reduce trade barriers and resolve trade disagreements without resorting to exceptional measures.

“I also emphasized the importance of addressing the buildup of debt in the public and private sectors, following a long period of easy financial conditions. This creates financial vulnerabilities, especially as monetary conditions tighten. To mitigate these risks, countries should take advantage of the current momentum by building fiscal buffers—creating more room to act in the next downturn—and by making active use of macro- and microprudential policies. Flexible exchange rates can help mitigate external shocks.

I welcome the G20’s continued vigilance of capital flows and its call to enhance the transparency of low-income countries’ debt by both debtors and creditors. The IMF is looking forward to contributing to these important work streams, amongst others.

“Our discussions in Buenos Aires focused on a range of other issues that are key to lifting productivity and making growth more resilient and more widely shared. These included the future of work, in the light of rapid technological change; international tax challenges, particularly related to digitalization and transparency; the opportunities and challenges posed by Fintech and Crypto-assets; and efforts to close the global infrastructure gap.

In all these areas, international cooperation is essential. The IMF, for example, is working with other institutions through the Platform for Collaboration on Tax to help developing countries mobilize revenue to achieve the Sustainable Development Goals. I am also encouraged that the G20 Ministers and Governors reaffirmed their commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net.

“Finally, I would like to thank the Argentine authorities for their excellent organization and effective leadership of this G20 meeting. I applaud the resolute reforms implemented by President Macri during the first years of his administration to address economic imbalances and to reintegrate Argentina into the global financial and monetary system. I look forward very much to returning to Argentina for the next G20 meetings in July and November.”

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