INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-Fourth Meeting
October 16–17, 2026

Statement No. 54-26

Statement by Mr. Giorgetti
Italy

On behalf of
Albania, Greece, Italy, Malta, Portugal, and Republic of San Marino

IMF-World Bank Group Annual Meetings – October 12-18, 2026

IMFC Statement by Mr. Giancarlo Giorgetti, Minister of the Economy and Finance, Italy

On behalf of Albania, Greece, Italy, Malta, Portugal, and Republic of San Marino

The global economy has shown resilience in the face of successive shocks, but growth remains uneven, the outlook remains fragile, and inflationary pressures continue to weigh on households. Russia's war of aggression against Ukraine and the ongoing conflicts in the Middle East continue to inflict a heavy humanitarian toll, weigh on global economic activity, and heighten geopolitical uncertainty. Renewed trade tensions, fiscal and financial vulnerabilities, excessive and persistent global imbalances, extreme weather events, and cyber threats could further test resilience and weigh on growth prospects. Meanwhile, the green and digital transformations, including the rapid development of AI, and population ageing, are reshaping our economies and societies, creating opportunities and significant adjustment challenges. At this critical juncture, carefully **balanced and forward-looking policies**, together with **stronger international cooperation**, underpinned by a **rules-based multilateral system**, will be essential to manage risks and spillovers, limit fragmentation, harness new opportunities, and foster sustainable and inclusive growth.

Safeguarding macroeconomic stability requires coherent policies that balance near-term stabilization with longer-term priorities, while fostering resilience, sustainable growth, and protecting the most vulnerable. Policy makers face difficult trade-offs and it is not time for complacency. Fiscal policy should rebuild buffers and safeguard debt sustainability through credible medium-term frameworks (such as the EU fiscal framework), while protecting growth-enhancing investment and essential social spending, reducing external spillover risks and improving the quality and efficiency of public expenditure and revenue. Combined with ambitious structural reforms, these policies would support stronger growth and enhance resilience to shocks. Beyond near-term stabilization, resilience requires greater diversification of energy sources and supply chains over the medium term, while diffusion of technological innovation, including through AI, offers significant opportunities to raise productivity and strengthen long-term growth, alongside risks that will need to be carefully managed.

Central banks should remain firmly focused on price stability, in line with their mandates, with monetary policy calibrated to country circumstances and evolving risks. Vigilance is warranted against potential second-round effects from energy and commodity price shocks and risks to inflation expectations. Central bank independence and clear communication remain essential to preserve credibility and keep expectations well anchored. Financial resilience

requires robust financial infrastructures and effective regulation and supervision to strengthen the financial system's capacity to absorb shocks and address emerging vulnerabilities, including leverage and liquidity risks arising from non-bank financial intermediaries, risks from the growing use of stablecoins, and cyber threats. If severe stress materializes, central banks should stand ready to provide credible backstops, including by supplying liquidity and safeguarding the functioning of critical payment and settlement systems.

The European Union continues to draw on a comprehensive policy toolkit and strong institutions to safeguard macroeconomic and financial stability, strengthen competitiveness and support resilient growth. To promote more inclusive and sustainable growth and harness the green and digital transitions, the EU is deepening the Single Market, fostering investment mobilization through the Savings and Investments Union agenda, simplifying regulation without jeopardizing the existing high standards of protection, expanding AI capacity, strengthening energy security and reducing strategic dependencies through clean, home-grown energy and investment in grids and interconnections. The benefits of these reforms are expected to extend beyond the current membership, fostering greater convergence across Europe, including candidate countries. The Eurosystem is also modernizing Europe's financial infrastructure through the digital euro and initiatives such as Pontes, which connects tokenized financial markets with existing payment infrastructure to enable wholesale transactions to be settled in central bank money, supporting a more integrated, innovative, and resilient financial system.

The IMF provides indispensable policy advice in supporting a stable and prosperous global economy. As policy challenges become increasingly interconnected, the Fund is called to play a key role as a trusted forum for international policy dialogue and cooperation and should continue to provide rigorous analyses, even-handed surveillance, including of global imbalances and their cross-border spillovers, while fostering a symmetric adjustment process by both surplus and deficit economies. It should remain attentive to both traditional macroeconomic priorities and broader forces reshaping economies, including demographic trends, energy security, technological innovation, including AI, digital finance, and climate-related risks. We welcome the Bangkok Blueprint initiative and collective efforts to strengthen digital-finance safeguards and cyber resilience and combat digital fraud, including preparedness for AI-enabled cyber incidents. More broadly, international cooperation remains essential to address risks from stablecoins and regulatory fragmentation.

We strongly support the Fund's role at the center of the Global Financial Safety Net. Adequate resources and effective instruments are essential to help members prevent and respond to crises, while supporting sustainable growth and poverty reduction. The IMF needs to

remain agile and the completion of recent reviews such as the Comprehensive Surveillance Review, the Financial Sector Assessment Program Review, the Review of Program Design and Conditionality, and the Review of the Debt Sustainability Framework for Low-Income Countries, will strengthen the Fund's policies. Effective and even-handed implementation will now be critical to realizing the benefits of these reforms and safeguarding the quality and credibility of Fund surveillance and program design.

Countries in our constituency remain committed to supporting a strong quota-based institution. We have provided consent to our quota increases under the 16th General Review of Quotas and look forward to its timely implementation as a key step toward preserving the Fund's legitimacy, effectiveness, and financial strength. We also underline the importance of the PRGT in providing assistance to low-income countries and reiterate our support for its long-term self-sustainability.

Capacity development remains one of the Fund's most valuable contributions to its membership, helping countries strengthen institutions and improve policy implementation, business climate and investment impact, and also addressing debt vulnerabilities. The Southeast Europe Technical Assistance Center (SEETAC) in Rome will provide a dedicated platform to support institution building and policy capacity across Southeast Europe and the Western Balkans, contributing to stronger macroeconomic frameworks, sustainable growth, and acceleration in EU enlargement.

We thank Thailand for hosting the Annual Meetings.