International Monetary and Financial Committee

Twenty-Eighth Meeting
October 12, 2013

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Although growth rates differ between countries, the world economic situation appears to be improving. Putting the crisis behind us and gradually returning to balanced, sustainable growth that creates jobs and reduces unemployment involves being able to effectively manage the coming transition phase. To do so, each country must implement reforms appropriate to its circumstances, but with an eye to international coordination.

The return to growth remains slow and highly contrasted, both between and within categories. Emerging countries are experiencing a slowdown in their rates of growth, which is due, among other causes, to capital flow volatility. Because monetary policy decisions have global consequences, central banks should carefully calibrate their communication.

In the second quarter of this year, the euro area emerged from recession and returned to growth for the first time in eighteen months. A resolute introduction of a genuine banking union will help consolidate this upturn. Nevertheless, unemployment levels remain far too high and we must do everything we can to address this.

Our economic policy is a reflection of this context. Fiscal consolidation efforts continue, mainly thanks to our determination to rein in public spending at a pace that matches the economic situation. This is in line with the IMF's recommendations and in full compliance with our European commitments. The competitiveness of the French economy continues to improve as various reforms – concerning corporate taxation, the labour market and pensions – come into force. Our solid banking system will be further strengthened by a recently-enacted Banking Act.

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We must sustain recovery efforts and enhance the coordination of our economic policies. This is vital if we are to ensure an orderly transition of the global economy towards stronger, more balanced and more sustainable growth.

The euro area has emerged from recession and it is expected to remain on the road to recovery in the third quarter and consolidate growth in the months to come. Several factors contributed to this good performance, including ECB initiatives, the fiscal room for manoeuvre granted to some euro area countries and large-scale structural reforms. Moreover, banking union continues to make strides, with the imminent introduction of the Single Resolution Mechanism and the Single Supervisory Mechanism, which should, coupled with announcements by the ECB, ease tension on the markets. The euro area is currently in transition – growth has returned, although it is still embryonic and not enjoyed by all, and advances have been made in strengthening the Economic and Monetary Union. These positive signs should encourage us to continue reform efforts and bolster European integration.

World growth is neither sturdy nor balanced. Even though the world's largest economies have made commitments to reduce global imbalances, we have not yet succeeded in transitioning to growth models that are consistent with such rebalancing. Whereas the overwhelming majority of deficit countries have made serious fiscal consolidation efforts and have introduced structural reforms to boost their competitiveness, most surplus countries have enough leeway to stimulate domestic demand and thus reshape their long-term growth model. To put the return to global economic growth on a more permanent footing, rebalancing efforts must be shared equitably and carried forward into the future. We need to avoid the negative effects of hasty and over-ambitious fiscal consolidation and unsustainable public debt build-up. Credible and flexible budget strategies are an important part of this process. The major economies must continue to be committed to this, and these commitments should be shared as widely as possible.

Although the emerging economies were drivers for world growth in recent years, the monetary and financial tensions with which some of them have had to cope last summer, combined with a slowdown in their GDP growth, may be cause for concern. Uncertainties caused by possible shifts in monetary policies by advanced countries have had an undeniable short-term economic impact on emerging countries. The situation calls for clear, carefully-calibrated communication by the central banks in advanced economies. Moreover, some emerging countries display structural weaknesses that may slow long-term growth. Within advanced economies, risks of institutional deadlock, particularly when it comes to national budgets, must be kept in check to prevent a resurgence of financial tensions that may undermine the global recovery. Flexible exchange rates, counter-cyclical budgetary policies and structural reforms must all play a part in making these economies more resilient and helping them benefit from balanced, sustainable growth.

More than ever, the IMF can actively participate in the effective management of this complex transitional phase by perfecting its surveillance expertise. Growing economic interdependence means that multilateral surveillance must play a greater role in the Fund's activities. To this end, the upcoming Triennial Surveillance Review should foster a more in-depth application of the 2012 Integrated Surveillance Decision. The economic crisis has taught us to expand surveillance mechanisms to include new aspects. It is particularly vital for the IMF to strengthen its analyses of growth and job creation by expanding its expertise and its recommendations in this area. Financial surveillance must be developed, particularly to better factor in the shifting of systemic risks towards the shadow banking system. The IMF needs to better assess the risks engendered by the lack of transparency of some offshore financial centres as well as weaknesses in tax cooperation, and to better incorporate these risks into its surveillance mechanisms.

We need more robust international financial institutions to strengthen the resilience of the global economic and financial system

With the financial crisis, we have had to significantly tighten global financial safety nets to curb systemic risks. Last year's decision to increase IMF resources by 461 billion dollars bears witness to its member countries' resolve to uphold universal access to the Fund's resources. France was one of the first to sign its bilateral borrowing agreement for 41 billion dollars and we are pleased to see that the vast majority of countries have now followed suit. Despite recent advances, we now need to ensure that all the remaining agreements are concluded rapidly to provide the IMF with all the resources that we have earmarked for it.

The coming into effect of the 2010 IMF quota share and governance reform is top of our agenda. The reform provides for the doubling of quotas, a realignment in quota shares to increase shares for dynamic emerging economies and changes in the Executive Board's membership. It will mean that the Fund will be better equipped to deal with the new global economic balance and will thus enhance its effectiveness, credibility and legitimacy. This is why we are urging all members who have yet to ratify this reform to do so without delay.

In spite of the completion of a comprehensive review of the current quota formula in January 2013, talks on a new quota formula and on the 15th General Review of Quotas have not moved forward as quickly as expected. We remain committed, however, to completing both reforms by January 2014 as part of an integrated package. Talks need to factor in the multiple facets of quota shares as well as the nature of the IMF's mandate. To meet this commitment, all member countries will have to be prepared to move forward.

We must continue to ensure that we provide appropriate assistance to fragile states and transition countries

I praise the IMF's crucial role in restoring stability in fragile states and post-conflict countries. When faced with extraordinary circumstances – as seen in Mali and Côte d'Ivoire – the Fund is able to provide a customised, flexible and fast response thanks to the instruments at its disposal and there is no doubt in my mind that the ongoing review of its Flexible Credit Line, Precautionary and Liquidity Line and Rapid Financing Instrument will further enhance operational effectiveness.

I particularly welcome the IMF's involvement in the North African and Middle Eastern transition countries. These countries' very specific problems make the IMF's sustainable assistance, in coordination with the other bilateral and multilateral donors under the aegis of the Deauville Partnership, more relevant than ever.

In the countries where they have been implemented, the HIPC and MDRI initiatives have been a success story. To build on this progress, the debt path in these countries must be kept sustainable by doing everything possible to ensure that the financing practices of both creditor and debtor countries take better account of the joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries. With this in mind, the current IMF and World Bank public consultations as part of their respective reviews of policies on debt limits should trigger discussions on how to consolidate and promote sustainable financing practices.

A year ago, at the instigation of France and other countries, it was decided to allocate the IMF's windfall gold sales profits to the subsidy account of the Poverty Reduction and Growth Trust (PRGT). Before the allocation was made, the IMF asked its members to provide satisfactory assurances that 90% of the overall amount distributed – SDR 1.575 billion – would be contributed to the PRGT. This threshold has nearly been reached and we urge the members who have yet to provide such assurances to do so to ensure that the Fund's concessional facilities can be financed.

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As we emerge from the crisis and with nascent growth, appropriate structural reform is the only permanent solution to prevailing vulnerability. Such reform would sustainably cut unemployment, especially long-term unemployment, and allow emerging economies – in particular – to improve their economic fundamentals and build more balanced growth models.

It is very important that the recovery does not lead to the collapse of international cooperation or a retreat into protectionism. Sustainable growth can only emerge from economic policies that – as they are interdependent – need to be coordinated.