



SPR

International Efforts to Bolster Collaboration and Manage Financial Stability in the era of COVID-19

IMF-UNIVERSITY OF TOKYO CONFERENCE

24 November 2020

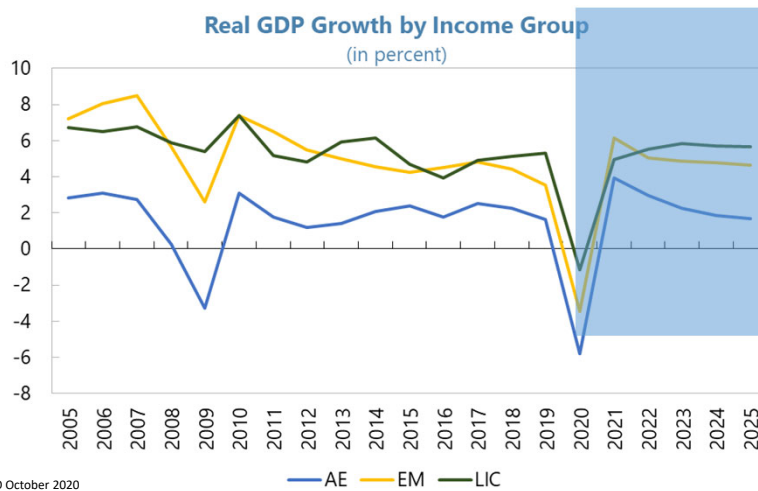
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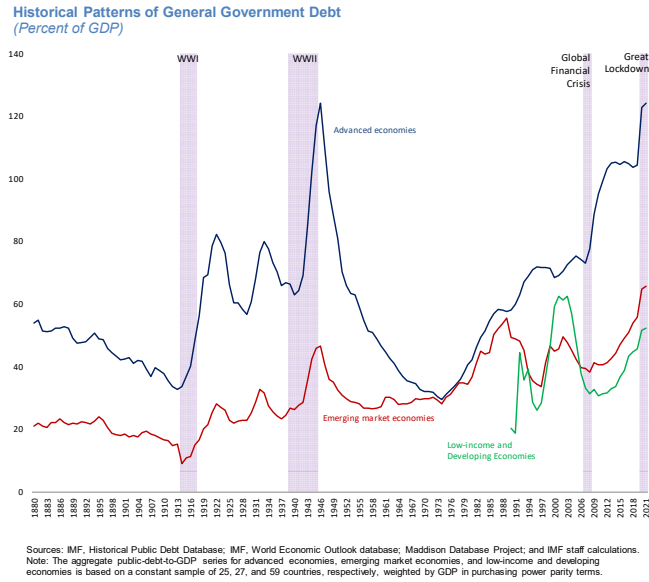
GFC hit advanced economies; Great Lockdown hit all



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... with already elevated levels of debt



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... response has been forceful but uneven

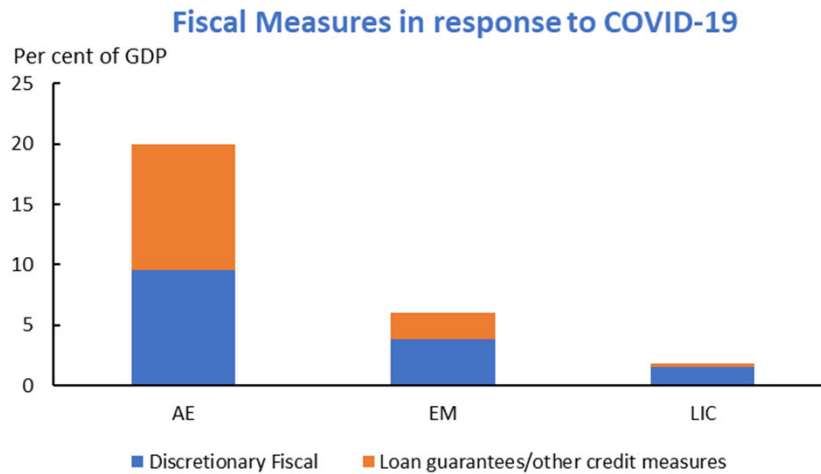
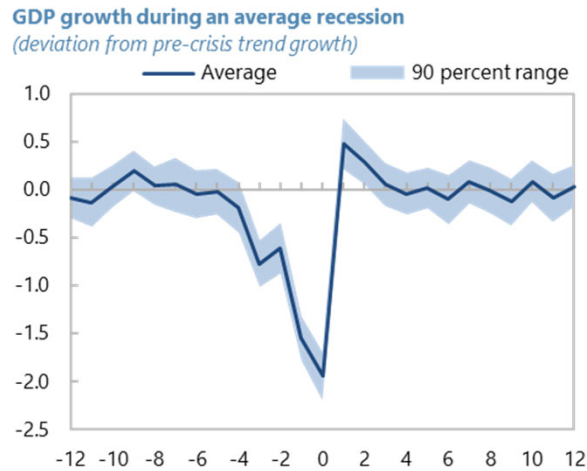


Figure shows key fiscal measures announced or taken in selected economies in response to the COVID-19 pandemic as of September 2020.

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Avoid early exit from stimulus packages



Sources: OECD; and IMF staff calculations.
Note: Constructed from a sample of 176 recessions in OECD countries from 1960 to 2007.

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Deal early on with insolvencies

■ Non-performing loans

- asset management companies; distressed asset sales
- enhance insolvency regimes

■ Unsustainable public debt

- debt relief, Common Framework
- reform debt architecture

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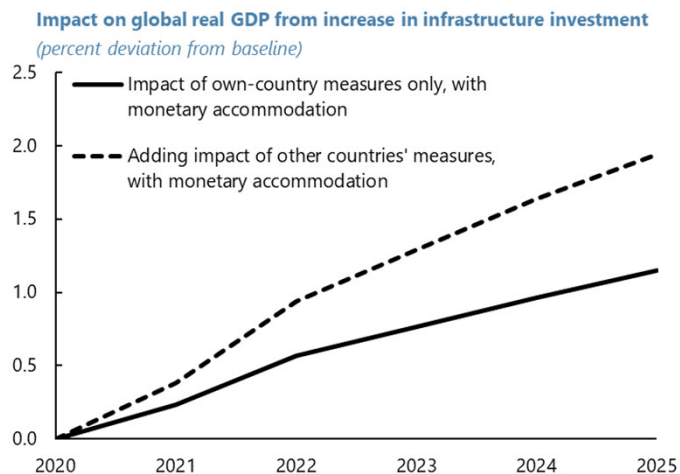
Preparedness

- GFC – unprecedented regulatory response; Banking Union in Europe; stronger global financial safety net including RFAs
- Great lockdown - pandemic preparedness; reduce digital divide; inequality; climate change

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Collective infrastructure push



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