

IMF CHIEF WARNS OF GROWING GLOBAL FINANCIAL INSTABILITY

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The IMF chief's statements came over the weekend of

the China Development Forum, a yearly conference that brings together CEOs from top western companies and members of the CCP.

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The International Monetary Fund (IMF) chief has warned that risks to financial stability across the world have increased, noting that a confluence of factors—including recent bank failures, monetary tightening, and the formation of competing economic blocks created by the Russo-Ukraine war—threatens to contribute to the globe’s growing economic instability.

In an [address](#) delivered at the [China Development Forum](#) on Sunday, March 26th in Beijing, International Monetary Fund Managing Director Kristalina Georgieva painted a rather grim outlook for the year ahead, warning: “Uncertainties are exceptionally high, including because of risks of geo-economic fragmentation which could mean a world split into rival economic blocs—a ‘dangerous division’ that would leave everyone poorer and less secure.”

“Together, these factors mean that the outlook for the global economy over the medium term is likely to remain weak,” Georgieva told conference attendees.

“We expect 2023 to be another challenging year, with global growth slowing to below 3 percent as scarring from the pandemic, the war in Ukraine, and monetary tightening weigh on economic activity,” Georgieva continued, adding that “even with a better outlook for 2024, global growth will remain well below its historic average of 3.8 percent.”

Georgieva alluded to the recent turmoil across the western banking sector, which in the past weeks has seen three medium-sized U.S. banks—including [Silicon Valley Bank](#) (SVB), Silvergate, and Signature Bank—collapse, and the Zurich-based multinational investment UBS [swallow up](#) the [near-insolvent](#) banking giant Credit Suisse, the second-largest bank in Switzerland.

She lauded efforts made by policymakers to support the global banking system amid threats to its stability by enhancing the provision of U.S. dollar liquidity, saying that they have “acted decisively in response to financial stability risks.” Georgieva noted, however, that the measures taken by policymakers have only worked to ease “market stress to some extent.”

But “uncertainty is high, which underscores the need for vigilance,” she emphasized.

Georgieva, however, mentioned that the global economic outlook is not “all bad.”

“We can see some ‘green shoots,’ including in China. Here the economy is seeing a strong rebound, and the IMF’s January forecast puts GDP growth at 5.2% this year ... Driving this growth is the anticipated rebound of private consumption as the economy has reopened and activity has normalized,” she said, adding that in 2023 China is poised to account for approximately one-third of global economic growth, which would provide “a welcome lift to the world economy.”

The China Development Forum is an annual, three-day event that [brings together](#) executives from leading western companies—like Apple, Pfizer, Mercedes-Benz, BMW, and Shell—and members of the Politburo of the Chinese Communist Party (CCP).