

# Global economic outlook a cause for concern: FM

## Says solution to global debt crisis intertwined with poverty alleviation

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Finance Minister Nirmala Sitharaman on Thursday said India remained concerned about the global economic outlook and geopolitical environment despite this year's projected growth rate of over 6 per cent.

Sitharaman was speaking at the Development Committee Meeting at the Fund-Bank spring meeting in Washington DC.

The International Monetary Fund (IMF) in its latest World Economic Outlook has warned that a sharp tightening of global financial conditions could have a dramatic impact on credit conditions and public finances, especially in emerging markets and developing economies.

The IMF has estimated that global growth will bottom out at 2.8 per cent in 2023 — a tad lower than earlier estimate — before rising modestly to 3 per cent next year. For India, the IMF has projected the economy to grow at 5.9 per cent in FY24 while the Reserve Bank of India expects the economy to grow at 6.5 per cent during the fiscal year.

In its Regional Economic Outlook for the Asia Pacific region on Thursday, the IMF said India's growth momentum would begin to slow as softening domestic demand offsets strong external services demand.

"In Asian EMDEs (emerging market and developing economies), we see a lot of strong dynamism in 2023. This will be driven primarily by the recovery in China and resilient growth in India. These two economies alone will account for about half of global growth," it added.

Referring to the "Evolution of the World Bank Group — A Report to Governors", released earlier this month, Sitharaman said the report provided a historic opportunity to think collectively on the evolution of the World Bank group.

Sitharaman posited that the World Bank should continue to work for its vision of "A World Free of Poverty" and seeks to achieve its mission of "ending extreme poverty" and



Union Finance Minister Nirmala Sitharaman with RBI Governor Shaktikanta Das at the G20 Finance Ministers & Central Bank Governors meeting in Washington DC

PHOTO: PTI

## Global sovereign debt roundtable for improving info sharing on debt rejig

Amid rising debt vulnerability being faced by low and middle-income countries, the Global Sovereign Debt Roundtable (GSDR) has agreed on improving information sharing, including on macroeconomic projections and sustainability assessments, at an early stage of the debt restructuring processes.



Co-chaired by the International Monetary Fund Managing Director Kristalina Georgieva, World Bank Group President David Malpass and Union Finance Minister Nirmala Sitharaman, the GSDR discussed debt sustainability, and debt restructuring challenges and ways to address them.

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'promoting shared prosperity' in a manner that is inclusive, resilient, and sustainable.

During her intervention, Sitharaman suggested that the global public goods should also be brought into the focus as the third goal.

Along with RBI Governor Shaktikanta Das, Sitharaman also co-chaired the first day of the second G20 finance minister and central bank governors (FMCBG) meeting on global economy and international financial architecture.

Sitharaman strongly called for timely debt restructuring as the solution to the global debt crisis is closely intertwined with addressing the global poverty challenge. It adversely affects the most indebted countries as they also house the poorest people, she said. The FMCBG discussed key challenges to the global econom-

ic outlook and explored possible areas of policy coordination on pressing global issues, besides exchanging views on accelerating progress on deliverables envisioned during India's G20 presidency.

Sitharaman discussed progress on the agenda of strengthening Multilateral Development Banks (MDBs), including hearing from MDBs on implementation of recommendations of capital adequacy framework review panel and sought the views of G20 members on the way forward of the expert group on strengthening MDBs set up under India's G20 presidency.

Speaking about the Global Sovereign Debt Roundtable, Sitharaman emphasised India's commitment as part of its G20 presidency to all global efforts to address growing debt vulnerabilities.