

IMF: Inflation could remain high for longer

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The medium-term growth prospects for the global economy remain weak, and elevated food and fertilizer prices are particularly worrying, International Monetary Fund Managing Director (MD) Kristalina Georgieva said on Tuesday in a press statement.

She said inflation could remain higher for longer, requiring even more monetary policy tightening.

Citing India's success story in public digital infrastructure, the IMF chief said growth-enhancing reforms were needed to boost productivity and raise living standards. "To support these reform efforts, the Fund will also expand its work on mobilising domestic resources, improving the quality of country spending, building deep capital markets, and improving the environment for private investment — both domestic and foreign."

Georgieva said the top priority was

to durably bring inflation down and to stay the course on monetary policy since the job was not yet done. "A premature celebration can reverse the hard-won gains made so far in the disinflation process," Georgieva said.

The IMF chief said the divergences in economic fortunes were a persistent concern. "Some pockets of the global economy are doing well; others are weakening but still growing; and vulnerable countries are falling further behind."

She said it was now time to rebuild fiscal buffers after a period of exceptional policy accommodation. The IMF chief said there was a need to strengthen the global financial safety net to protect the most vulnerable countries and their people. "Today, while the IMF has nearly \$1 trillion in lending capacity, quota resources, which are critical to ensure the predictability of the IMF's firepower, have shrunk in relative terms," she said while appealing to the G20 countries to restore the primacy of IMF quota resources by completing the 16th quota review by the end of this year.



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KRISTALINA GEORGIEVA
IMF chief

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