

Dominguez warns next crisis could wipe out inclusiveness gains

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FINANCE Secretary Carlos G. Dominguez III said the global economic slowdown has the potential to undermine any gains made by poor countries to make their economies more inclusive.

Speaking in Washington, DC last week at the 102nd meeting of the ministers and governors of the Intergovernmental Group of 24 (G-24), Mr. Dominguez said: "If present trends continue, all the work we have put in preparing our economies for competitive trade, improving our domestic efficiency, and maintaining the highest standards for fiscal discipline will fail to ensure inclusive growth."

A copy of his speech was released to reporters yesterday.

He expressed "deep concern" that "47% of low-income developing countries are (in a state of) debt distress," adding that developing aid across the globe likewise declined by 2.7% last year with official development assistance (ODA) to least-developed countries falling by 3%.

"With ODA making up two thirds of external financing for countries who are most in need, we express our unease with how relevant states and institutions are responding to the impending global economic crises," he said.

"International cooperation is a means toward shared prosperity, not the subjugation of vulnerable economies," he added.

He said the World Bank and the International Monetary Fund (IMF) should be innovative in helping emerging countries mitigate such risks.

"We call on the World Bank and the IMF to adopt bold, out-of-the box solutions in support of their efforts toward a 'new multilateralism' to effectively assist emerging economies in mitigating the impact of a changing global economic landscape fraught with trade tensions, protectionism and other factors that imperil global growth," he said.

He said that the "traditional tools" that the countries continue to use are "insufficient, especially in dealing with disruptions to business models brought about by technology, trade wars, and changes in the supply chain models."