



صندوق النقد العربي
ARAB MONETARY FUND

“Navigating Uncertainty to Reach Development Goals”

**Statement by
H.E. Dr. Fahad M. Alturki
Director General Chairman of the Board
Arab Monetary Fund**

**Intergovernmental Group of Twenty-Four (G24)
The Ministerial Meeting
Washington, October 22, 2024**

I am delighted to be present at this regular meeting and would like to extend my gratitude and appreciation to the Secretariat of the Intergovernmental Group of Twenty-Four (G24) for the kind invitation. The interconnectedness of the financial systems and the critical importance of sustainable practices become a necessity to address existing and future challenges and obstacles.

Heightened uncertainty calls for more effective Global Financial Safety Net (GFSN)

As you know, the global economy is currently experiencing increasing uncertainty due to a wide range of complex factors, leading to a volatile and unstable economic environment. The last two decades have witnessed several shocks that eroded fiscal space and the external sector's buffers in many countries worldwide. The significant increase in the debt-to-GDP ratio globally is evidence of that. In addition, geopolitical fragmentation and tension and climate change disruptions are adversely impacting the economies of many countries and contributing to the uncertainty of the outlook.

Bretton Woods Institutions and Regional Financial Arrangements (RFAs) are important components of the GFSN as they provide insurance for member countries against the consequences of adverse shocks. Global financial stability is reachable but requires the collaboration of all of us, policymakers, Bretton Woods Institutions, and RFAs. Our role is to provide, among others, affordable liquidity and financing, especially in times of crisis, with equal opportunities to our member countries coupled with appropriate and effective reforms that protect the vulnerable segments of society and address the root causes of the vulnerabilities. Capacity building is also crucial to support the appropriation and adoption of much-needed policies.

Global Debt Dynamics: Risks and Opportunities for Economic Stability

Debt dynamics weigh on economic development and stability. According to the International Monetary Fund estimates, the public debt-to-GDP ratio for emerging markets and developing economies increased from 37.9% in 2013 to 68% in 2023, while advanced economies reached

111%. This increased debt presents a major risk to economic stability and raises concerns about the capacity of countries to fulfill their development objectives, including the SDGs, with much needed capital and human investments, while fulfilling their financial commitments.

International organizations, such as the International Monetary Fund, World Bank, G20, and RFAs like the Arab Monetary Fund, have taken an active role in the mitigation of debt sustainability risks. However, effective solutions require the exchange of knowledge and strategies, and the availability of consistent and affordable financial support to meet the long-term goals and social welfare of the recipient countries.

Advancing the Circular Carbon Economy: Strategies for Sustainable Development in the Arab Region

Finally, Arab countries recognize the urgency of addressing climate change and have made efforts to position themselves toward a sustainable future through achieving the Net Zero emission target and advancing the circular carbon economy. Many Arab countries are embracing renewable energy sources, including solar and wind power, to diversify their energy sources and decrease greenhouse gas emissions. They also adopted several offsetting measures, such as planting trees and carbon-capture technology. In addition, the region has started multiple strategic initiatives, including the Pan-Arab Clean Energy Initiative, the Saudi Green Initiative, the Middle East Green Initiative, the UAE Green Economy for Sustainable Development and Energy Transition Accelerator Financing Platform, and the Egypt Go Green Initiative.

Overall, the Arab region is committed to sustainable economic development while addressing climate change. However, achieving these objectives in a sustainable manner calls for considering the existing energy trilemma, namely affordability, security of supply, and environmental sustainability, without compromising one another. To do so, we need to support innovation, target emissions not energy sources, and recognize the difference in terms of initial conditions and contribution to Gas emissions for different countries.

Thank you.

www.amf.org.ae