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## Battered by stormy markets, G24 urges big economies to stop trade war

NUSA DUA, Indonesia (Reuters) - Finance ministers for developing nations in the Group of 24 whose economies have been battered by stormy markets urged major economies on Thursday to reform the global trading system, rather than discard it.

Emerging markets have suffered capital outflows, pressuring their currencies and pushing borrowing costs up as investors avoid risky assets due to intensifying U.S.-China trade tensions and rising U.S. interest rates.

The G24 statement issued on the sidelines of the International Monetary Fund and World Bank meetings, said all emerging markets were "adversely affected" by excessive capital flow volatility.

"Trade uncertainties and financial and monetary conditions compound rising debt vulnerabilities. Improving debt sustainability depends on a supportive external trade and financial environment, timely contingency financing and the adequate flow of concessional financing for low income countries," the G24 ministers said in a statement.

"We urge major powers to reform and reinforce rather than discard the rules-based global trading system."

U.S. President Donald Trump's pursuit of a fairer deal for U.S. companies and farmers, and his dislike of multilateral trade agreements, has stoked a tariff war with China that has sent shivers through all their trading partners.

The G24 also called for action from the IMF and the World Bank to help build capacity for fiscal and debt management in low income countries, where debt as a percentage of GDP has risen to 47 percent from 33 percent in the last 5 years. The group stressed the importance of a strong Global Financial Safety Net with "an adequately resourced, quota-based IMF" at its center.

IMF Managing Director Christine Lagarde will meet a delegation from Pakistan, a G24 member, on Thursday to discuss a potential loan for the South Asian country, though she said the fund had not received a formal request.

Pakistan has said it will hold talks with the IMF and friendly countries during the annual meetings for financial help to avert a looming balance of payments crisis.

Last month, the IMF and Argentina agreed on a \$57 billion IMF standby financing deal, upgraded from an original \$50 billion, to help the Latin American country deal with its financial crisis.

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