

Time to design new global financial architecture — Finance Minister

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Mr Ken Ofori-Atta

The Minister of Finance, Mr Ken Ofori-Atta, has proposed the design of what he describes as “a new global financial architecture” that will help institute a new global public good and rebuild growth across the world.

He stated that the World Bank and the International Monetary Fund (IMF), as well as the international community, must quickly address issues of economic revival, the global supply chain as well as healthcare systems in poorer nations, as a result of the overwhelming impact of the coronavirus disease (COVID-19).

“We must recognise that this economic crisis will last much longer and have a greater impact on the developing world and we must quickly address the issues of economic revival and global supply chains and our healthcare systems. And this will require additional funds,” he stated.

In his address from his office in Accra last Friday to the just-ended virtual Spring Meetings of the World Bank and IMF, which spanned April 13-19, this year, Mr Ofori-Atta said the two institutions must recognise that the economic crisis triggered by the pandemic would last much longer and have a greater impact on the developing world.

The Finance Minister, therefore, proposed to the World Bank and IMF to establish an inclusive team of willing collaborators and private sector to create a new era that would “make our future greater than the past”.

Humanity at stake

Mr Ofori-Atta said: “All of these need to be soberly considered because a large part of humanity is at stake.”

He said the world today was experiencing extraordinary times which required extraordinary measures because almost all humanity and economies had come under severe pressure due to the impact of the

deadly contagious disease.

“I chaired the G-24 meetings on Tuesday last week and co-chaired African Finance Ministers meetings in the past few months and the outcry is the same; the need for liquidity, fiscal space, fresh capital, debt relief, the need for stronger health systems, the need to work with the rating agencies and private creditors,” he said.

Mr Ofori-Atta expressed appreciation to the leadership of the World Bank and the IMF for demonstrating incredible energy, proactiveness and creativity for tackling the coronavirus pandemic.

“We should also congratulate the G-20 on prescribing a solution to the debt crisis looming amongst the International Development Association (IDA) countries,” he said.

Africa

Mr Ofori-Atta said, however, that such commitment would not suffice to avert countries in the emerging markets in Africa from going into an insolvency crisis and receding into a depression.

“We have to solve the liquidity crisis, we have to solve the fresh capital crisis, we have to solve the health crisis. And we have to work fast,” he stated.

The Finance Minister said he got the chills last night when he heard the EU President apologising to Italy for the belated support of €500 billion.

“The consequences have been about 170, 000 cases, the loss of 22, 000 lives and an economic intervention of €750 million by the Italian Central Bank. That is 30 per cent of Italy’s Gross Domestic Product,” he said.

Set up a team of collaborators

Recalling the impact of the 1918 Spanish Influenza which wiped out 650,000 lives in the US and claimed the lives of many in the then Gold Coast, Mr Ofori-Atta described the world’s response to the pandemic then as being slow.

He stated that during the outbreak of the diseases even neighbours did not care for one another, leaving in its wake a spiritual stupor which haunted everyone’s humanity.

“One hundred and two years later, the EU Commissioner has to remind us that “we must protect each other to protect ourselves”.