

CORONAVIRUS

G24 group urges co-operation to prevent long-term economic damage from Covid-19

Recovery could be held back in countries that lack revenue or borrowing capacity, group says



Mutations can reduce the protection offered by vaccines and previous infection by "substantially" increasing the amount of serum antibody needed to prevent infection of cells, according to research by the University of Cambridge. Reuters

The G24 urged international financial institutions such as the World Bank and the International Monetary Fund to provide full fiscal support to developing countries to prevent long-term economic damage from the Covid-19 pandemic.

Economic recovery has begun in parts of the world but many vulnerable countries remain in recession because of a lack of affordable vaccines as, the group said on Monday.

“Covid’s destruction is global and will only be overcome with a strong global response that ensures fair distribution of vaccines and sustained support to vulnerable developing countries,” said Abdolnasser Hemmati, Governor of the Central Bank of Iran and chair of the Group of Twenty-Four nations.

“The G24 believes we all must recognise our common humanity and work together to defeat this pandemic.”

The world economy is facing the prospect of a substantial loss in output despite a faster recovery from the pandemic than expected, the IMF said last week.

Global output in 2024 is expected to be about 3 per cent lower than pre-pandemic estimated levels, it said.

The IMF, which this week is holding its spring meeting alongside the World Bank, extended debt relief to 28 of the world's poorest countries on Monday to allow them to conserve funds to fight the pandemic.

The relief will be in the form of grants that will cover debt-service payments due between April 14 and October 15 this year.

The G24 commended swift international economic and health support for the crisis so far but said more action was needed to avert long-term economic damage in vulnerable nations.

It said recovery to pre-pandemic levels could be held back in countries that lack revenue or borrowing capacity to stimulate their economies.

The group welcomed the move to provide debt relief but also called to improve co-ordination to widen access to vaccine supply.

"Access now is heavily constrained by existing supply, which has mostly been purchased by advanced economies."

G24 members urged the World Trade Organisation and development banks to find ways to increase the production of vaccines.

That would include "addressing intellectual property rules to expand the manufacturing of vaccines and other medical products needed to treat those infected by Covid-19".

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