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Global Economic Losses Since Dawn of Pandemic Hit \$3.3 Trillion

Since 2020, the global economy lost \$3.3 trillion. The loss affected the most vulnerable countries hardest noted International Monetary Fund chief Kristalina Georgieva. Delivering her curtain raiser speech ahead of the IMF, World Bank and G20 Spring meetings, she stated debt remains at high levels in most countries, with the poorest countries spending more than 14% of their budgets on debt payments.

"Debt continues to be one of the primary concerns for developing countries," said Eric LeCompte, Executive Director of the religious development organization Jubilee USA Network. "Georgieva points out that debt will continue to be a stumbling block for too many countries."

Debts had increased for more than a decade and the necessary spending to protect lives and jobs during the pandemic added to the trend according to Georgieva.

"The poorest countries saw the biggest losses from the pandemic," remarked LeCompte. "While some countries are recovering, many developing countries are still worse off than they were before the pandemic."

According to the IMF head, interest rate hikes are pushing up higher debt servicing costs.

"It is time to cut interest rates," shared LeCompte. "Interest rates are making debts soar for poor countries and pricing food and fuel out of reach for too many of us."

The curtain raiser speech calls for budget cuts as one of the tools to stabilize debt. However, a year ago the IMF flagship World Economic Outlook found that spending reductions had little effect on reducing debt, while debt restructurings had achieved debt reductions of 8 percentage points in the medium term.

“There are a number of countries where debt relief is the best option to quickly restart their economies and build economic growth,” shared LeCompte.

Watch the curtain-raiser speech [here](#).

Jubilee USA Network is an alliance of more than 75 US organizations and 750 faith communities working with 50 Jubilee global partners. Jubilee USA builds an economy that serves, protects and promotes the participation of the most vulnerable. Jubilee USA wins critical global financial reforms and won more than \$130 billion in debt relief to benefit the world's poorest people.

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