

The New York Times

G20 Says Working on Action Plan to Deal With Global Pandemic

By Reuters

March 23, 2020 Updated 4:41 p.m. ET

WASHINGTON/RIYADH — Finance ministers and central bankers from the world's 20 largest economies agreed on Monday to develop an "action plan" to respond to a coronavirus pandemic that the IMF now expects to trigger a global recession, but they offered no specifics.

The G20 secretariat issued the statement after the finance officials met by video conference for nearly two hours, seeking to stave off growing criticism that the world's "fire station" has been slow to respond to the worsening crisis.

G20 leaders are due to meet for an extraordinary summit in coming days as the virus continues its rapid spread, with 337,500 people infected across the world and over 14,600 dead.

The summit, called by this year's chair, Saudi Arabia, will be complicated by an oil price war between two members, Saudi Arabia and Russia, and a war of words between two others, the United States and China, over the origin of the virus.

U.S. Treasury Secretary Steven Mnuchin told Fox News his counterparts agreed to take action to support their own economies, and coordinate internationally as needed. But he gave no specifics.

Officials in Japan and Argentina issued their own statements calling for more decisive action, while outside experts said specific measures were urgently needed, not the broad assurances offered by the G20 to date.

Mnuchin said the United States was working closely with G20 countries, the Group of Seven (G7), the International Monetary Fund (IMF) and the World Bank in responding to the crisis.

"This is a team effort to kill this virus and provide economic relief," said Mnuchin, who is simultaneously struggling to secure congressional approval of a nearly \$2 trillion U.S. rescue package.

The Federal Reserve on Monday announced a huge package of programs to backstop the U.S. economy, including steps to back purchases of corporate bonds, backstop direct loans to companies and get credit to small and medium-sized firms that employ over half the U.S. workforce.

The IMF and the World Bank on Monday both forecast the pandemic would trigger a global recession in 2020, and redoubled their calls for a global response.

IMF Managing Director Kristalina Georgieva welcomed fiscal and monetary steps already taken by countries, but said more would be needed, especially in the fiscal realm.

"The human costs of the coronavirus pandemic are already immeasurable and all countries need to work together to protect people and limit the economic damage," she said in a statement.

G7 finance ministers and central bankers will hold a conference call of their own early Tuesday, according to a source familiar with the plans.

Japan, a member of the G7, expressed deep concern about the impact of the coronavirus, and urged G20 members to act "without hesitation in a timely manner."

Argentina, whose debt has been deemed unsustainable by the IMF, warned fellow G20 member they must act decisively to "avoid a social meltdown" as the pandemic spreads.

Argentina's Finance Minister Martin Guzman told fellow ministers on the G20 call that countries should use the "entire toolkit" of economic policies, including the extension of bilateral swaps to aid those nations most in need.

"It is of utmost importance that we deepen global coordination and cooperation efforts as much as possible in order to preserve global social stability," Guzman said in remarks prepared for delivery to the group.

Harry Broadman, managing director at Berkeley Research and a former senior U.S. government official, said the crisis called for "extensive and systematic collective action to both mitigate transboundary risks and forge an enduring tangible solution" to safeguard the world's public health and economic prosperity.

He said the G20, not just the G7, should meet at least monthly and as needed to shore up global confidence. But they needed to do more than focus on pledges of coordination.

"There must be material commitments executed out for all the world to see and assess actual outcomes," he said. "Without accountability this could all be for naught."

(Reporting by Andrea Shalal and David Lawder in Washington and Stephen Kalin in Riyadh; Editing by David Gregorio and Tom Brown)