

Can the IMF Really Save the World?

The IMF's Role in the Present Crisis

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- “We, the Leaders of the Group of Twenty, met in London on 2 April 2009.”

- The agreements we have reached today,
 - to treble resources available to the IMF to \$750 billion,
 - to support a new SDR allocation of \$250 billion,
 - to support at least \$100 billion of additional lending by the MDBs,
 - to ensure \$250 billion of support for trade finance, and
 - to use the additional resources from agreed IMF gold sales for concessional finance for the poorest countries,
- constitute an additional \$1.1 trillion programme of support to restore credit, growth and jobs in the world economy.

\$1.1 trillion: never in the history of the world has

- So much been given to
- So few
- So quickly and with
- So little direction

To put \$1.1 trillion in perspective

| Examples of prior uses of official resources | Cost in 2009 dollars (billions) | Number of times it could be repeated with G-20 resources |
|-----------------------------------------------------|----------------------------------------|-----------------------------------------------------------------|
| Interstate Highway System | \$666.2 | 1.7 |
| Manhattan Project | \$27.1 | 40.6 |
| Capitol Visitor Center | \$0.6 | 1792.9 |
| IMF-Headquarters 2 building | \$0.2 | 6735.3 |

What should the IMF do to help
resolve the ongoing financial
crisis?

Panelists:

Desmond Lachman, AEI

Alberto R. Musalem, Tudor
Investment Corporation

Brad W. Setser, Council on
Foreign Relations

Zanny Minton-Beddoes, The
Economist

