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Statement by Mr. Lescure
France

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Despite recent shocks and multiple challenges, the global economy has remained resilient so far in 2025, but this could prove temporary. Uncertainty remains very high, exacerbated by trade tensions, geopolitical risks and transformative forces that are reshaping the world economy. As a result, the outlook for global growth remains oriented to the downside. In that context, France reiterates the importance of international cooperation to tackle global challenges and reduce volatility. We stress the need to avoid creating uncertainty in the first place by maintaining an open and rules-based multilateral trading system, with the World Trade Organization (WTO) at the center. Strong and independent central banks and economic institutions are essential to the proper functioning of the global economy.

The announcements and the imposition of tariffs are weighing on global economic growth to different degrees across countries and have increased uncertainty and downside risks, notably for the most vulnerable economies. The recent EU-US deal could temporarily ease uncertainty and stabilize what remains the world's largest trade and investment relationship. However, uncertainty remains high due to the unpredictable changes in trade policy. We note that tariffs are not the right solution to resolve global imbalances, which are mainly the result of domestic, macroeconomic and structural factors, as well as deliberate policy choices. A comprehensive reform of the WTO being more important than ever, we will continue to engage in the reform process and to seek to forge positive agendas, including on trade, with all our partners. We encourage the IMF to keep monitoring tariff developments and report their negative effects.

Strengthening growth remains essential in the context of higher uncertainty and more frequent and systemic shocks. Given the long-term spending needs faced by many economies, notably in defense or climate transition, breaking the low growth high debt cycle necessitates to act promptly, finding the right balance between growth enhancing reforms and fiscal adjustment. Where needed, the pivot towards fiscal adjustment should remain gradual, realistic, and country specific. Public and private investment should seek to enhance competitiveness, productivity and resilience. New technologies, such as AI, provide opportunities if harnessed correctly.

The reduction of global imbalances remains a key aspect for global growth and stability and will be a priority for France in 2026. Global imbalances have become one of the most pressing issues shaping debate on macroeconomic policies and leading to non-optimal policy decisions. Resolving global imbalances will require a coordinated and systemic approach that addresses the domestic underlying causes, including looking at country-specific economic policies and reforms. We welcome the Fund's work on excessive external imbalances through the External Sector Report and the Article VI reports, and support a more integrated approach when it comes to analyzing external imbalances, with better linkages between macroeconomic, sectorial and competitive dimensions. The Comprehensive Surveillance Review provides a good opportunity to strengthen the surveillance framework for global imbalances and spillovers.

The IMF must continue to play its role of independent and trusted adviser, and to provide tailored solutions to its membership. France supports strengthening the monitoring of the full range of macro-critical risks and vulnerabilities by the Fund to enhance early warning and crisis prevention. The integration of all relevant transformative issues for macroeconomic, fiscal, monetary and financial analysis into the IMF workstream is crucial in order for its surveillance to remain effective. In particular, climate change continues to affect advanced, emerging and developing countries and, wherever climate change considerations have a macrocritical impact or generate spillovers on other economies, country-specific recommendations from the IMF are needed. France looks forward to the Comprehensive Surveillance Review and to ensure the IMF surveillance activities remain fitted for today and the future.

As the development gap continues to widen, the Fund remains a key actor to support the most vulnerable countries. We strongly support ensuring better engagement with Least-income countries (LICs) and Fragile and conflict-afflicted States (FCS). The Review of conditionality and program design is an opportunity to better understand the underlying causes of entrenched economic challenges for vulnerable countries and to adapt the IMF framework for better program successes and long-term development. Further work could also be done on the Global Financing Safety Net, by strengthening its precautionary side. In particular, scaling up the use of IMF precautionary facilities, including in low-income countries, would be useful to enable the immediate mobilization of financing and keep incentives for resilience building after the end of an IMF-supported program. Coordination between the IMF and other IFIs such as the World Bank (WB) and Regional Financial Arrangements, could be improved to ensure a better allocation of resources and build on specific expertise.

Managing global debt vulnerabilities remains a key priority and we welcome the IMF continued work on debt challenges. The G20 Common Framework (CF) continues to deliver as showed by the agreements on debt treatments for Chad, Zambia, Ghana and Ethiopia, with progress made regarding the shortening of timeline and increased transparency. France, with the Paris Club, will support further consolidation and improvement of this framework and welcomes the endorsement by G20 Finance Ministers in July of two G20 notes (following up to the lessons learned on the G20 CF and on the steps for a CF debt treatment) to provide more clarity and predictability on the process and also welcomes the publication of factsheets on CF cases on the G20 websites to enhance information-sharing. For countries whose debt is sustainable but who are facing liquidity pressures, we support the 3-pillar approach of the IMF and the WB: structural reforms and domestic resource mobilization, supported by technical assistance, capacity development and policy advice; external financial support, including from the IFIs; and where relevant, actions to reduce debt servicing burdens. We also support further efforts on debt transparency from all actors. We look forward to the report from the IMF and WB on the implementation of the 3-pillar approach.

France continues to support the channeling of SDRs to support vulnerable countries. In July 2025, commitments to channel Special Drawings Rights (SDR) had reached USD 113.8 bn, beyond the 2021 political ambition. The operationalization of pledges to support the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust continues and has reached USD 97.3 bn so far. France has channeled 40 % of its 2021 allocation towards the PRGT and the RST and calls other G20 members to go above the initial ambition of 20 % of SDR rechannelling when legally able to. France continues to support channelling SDRs through MDBs, in order to strengthen MDB's financial capacity and provide additional support to vulnerable countries, for countries that are willing and legally able to, and France is ready to contribute, in line with its legal framework, notably through participating in the liquidity guarantee proposed by African Development Bank and Inter-American Development Bank**.**

France continues to support a strong, quota-based and adequately resourced IMF at the center of the Global Financial Safety Net. France welcomes the conclusion of the 16th General Review of Quota and calls for the implementation of the 50 % quota- increase, to strengthen the quota-based nature of the Fund. France has finalized its domestic procedures and provided national consent to the respective quota increases and New Arrangements to Borrow (NAB) rollback, as well as signed the temporary extension of its Bilateral Borrowing Agreement (BBA). We welcome the creation of the 25th Chair at the IMF Executive Board that is effective since November 2024 and enhances the voice and representation of Sub-Saharan Africa. We acknowledge that given the complexity of the discussion on governance and quota reforms, progress towards the realignment of quota, which members committed to as part of the 16th General Review of Quota, should be made in stages for the 17th General Review of Quotas. France supports the development of guiding principles for the quota and governance reform, by Spring 2026, as proposed by the Diriyah declaration. Any realignment in quota should be consistent with the protection of the voices of the poorest countries and a fair and broad burden sharing. We reiterate that higher quota shares should, as a matter of principle, be consistent with higher responsibility to uphold and consolidate the multilateral system, including though ensuring the proper functioning of the international debt architecture with enhanced transparency on debt data and the financing of common public goods.