INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Fifty-Fourth Meeting
October 16–17, 2026

Statement No. 54-7

Statement by Ms. Keller-Sutter
Switzerland

On behalf of
Republic of Azerbaijan, Republic of Kazakhstan, Kyrgyz Republic, Principality of Liechtenstein, Republic of Poland, Republic of Serbia, Switzerland, Republic of Tajikistan, Turkmenistan, and Republic of Uzbekistan

International Monetary and Financial Committee, October 17, 2026

Statement by Ms. Karin Keller-Sutter, Minister of Finance of Switzerland on behalf of Azerbaijan, Kazakhstan, Kyrgyzstan, Liechtenstein, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan

Global growth has been more resilient than expected but remains sluggish and uneven. Spillovers from the wars in the Middle East and Ukraine, combined with persistent trade tensions, and significant debt and financial vulnerabilities continue to fuel uncertainty, create economic headwinds, and pose corresponding downside risks. Meanwhile, rapid and transformative technological innovations, including in artificial intelligence (AI), create both significant opportunities and challenges for members.

Decisive action to strengthen fundamentals, address global challenges, and preserve economic openness is needed to safeguard macroeconomic stability, reinforce resilience, and lift durable growth. The IMF must be a trusted advisor and candid truth-teller for its members, playing its critical role as the global expert institution on macroeconomic and macrofinancial issues and a steward of successful adjustment and reform programs. The IMF should also provide an effective platform for multilateral cooperation among its near-universal membership, including to uphold open, rules-based, and transparent international trade.

Our Constituency welcomes the clarity and sense of urgency that the Managing Director's Global Policy Agenda conveys: There is no room for complacency. Domestic efforts to ensure robust fundamentals and institutions as well as international efforts, notably to promote and secure reliable trade relations and supply chains, remain essential.

Global setting and policy priorities

Global growth is currently below historical trends and concentrated in a few economies and sectors, notably the booming—and often leveraged—AI industry. Persistent trade tensions risk undoing essential benefits of global integration, thereby lowering global prosperity. High and rising debt vulnerabilities—compounded by long-term trends, such as climate change and demographic aging—along with fragilities related to certain types of non-bank financial institutions pose risks to global macroeconomic and financial stability in a context of eroded policy space.

Sustained and credible fiscal adjustment is urgently needed in many countries, to rebuild buffers, contain borrowing costs, and ensure debt sustainability. Improving the quality of fiscal policy, including spending prioritization, is key for accomplishing fiscal adjustment while limiting negative side effects. Robust fiscal frameworks and rules should help to anchor and sustain consolidation efforts over the medium term. Fiscal support to prevent hardship from shocks, where warranted, should be temporary, well targeted, and ideally budget neutral, while avoiding distortions to price signals.

Central banks should continue to ensure price stability in line with their respective mandates. The Fund should uphold its advocacy for central bank independence and clear communication, which are essential for effective and credible monetary policy and for anchoring inflation expectations.

Sound financial supervision and regulation, including strong capital and liquidity buffers, are key for maintaining the stability of the banking sectors and the global financial system as a whole. Ensuring continued compliance and alignment with global standards is important.

Structural reforms are essential to boost prospects for private-sector-led growth. Lifting potential growth also requires productivity-enhancing investments, both in infrastructure as well as in skills and education, including vocational training and apprenticeships. Adequate and predictable regulatory arrangements, as well as strong governance and competition, are required in order for vibrant private sector activity to yield durable and broadly-shared prosperity. Apart from that, pension and healthcare systems must be carefully designed to ensure fiscal sustainability, while delivering fundamental services to the public.

The Fund's role at the current juncture

Surveillance, both bilateral and multilateral, is the cornerstone of the IMF's work. Monetary, fiscal, financial sector, and exchange rate policies must remain the priority topics of surveillance, in line with the Fund's mandate and expertise. We welcome that the comprehensive surveillance review (CSR) has reaffirmed these priorities and established a robust concept of macro-criticality. We see the CSR as an important step toward a more integrated and forward-looking surveillance framework. We also welcome that the Financial Sector Assessment Program (FSAP) review has emphasized the need for effective and efficient financial surveillance, and stress that voluntary FSAPs should be granted in an evenhanded manner. Rigorous implementation of reforms stemming from policy reviews should result in Fund surveillance being more focused, risk-based, and cost-effective. As part of its surveillance, the IMF should continue to promote cross-border integration, publicly emphasizing the crucial role of economic openness in generating global prosperity and stability.

Amid wider global imbalances, the Fund must continue to provide candid and even-handed advice on *excessive* external imbalances, both to surplus and deficit countries. This advice needs to remain grounded in a multilaterally consistent and high-quality analysis that adequately accounts for country-specific factors, including known measurement issues in current account data. For this advice to gain traction among members, methodological underpinnings need to garner broad consensus. It is thus crucial for the Fund to continue its engagement with members on the External Balance Assessment framework and to further improve the methodology. At the same time, the Fund should gradually move toward a more holistic assessment of external positions.

Capacity development (CD) provides tailored and hands-on assistance to members in building strong institutions and designing reforms. CD should remain focused on the Fund's key areas of expertise, such as domestic revenue mobilization and public financial management. We reiterate the critical role of regional capacity development centers and the valuable contribution of the Caucasus, Central Asia, and Mongolia Technical Assistance Center (CCAMTAC) as well as the

forthcoming Southeast Europe Technical Assistance Center (SEETAC) in assisting members of our Constituency. Furthermore, Switzerland affirms its strong support for IMF CD with a new partnership with the Fund. As part of this partnership, Switzerland is committing CHF 40 million (~USD 50 million) for IMF CD work over the years 2026–30, thus continuing its longstanding cooperation with the Fund to help strengthen economic capacities and institutions in member countries. In addition, the Republic of Kazakhstan will contribute USD 25 million to the CCAMTAC, underscoring its continued commitment to supporting regional CD, and enhancing economic institutions and policymaking across the broader region, while fostering peer learning and knowledge-sharing.

Fund lending must continue to support members in solving their balance-of-payments problems and restoring their external viability, including debt sustainability, under adequate safeguards. Strong conditionality and high lending standards remain key to achieving this objective. Fund lending must also remain catalytic and cognizant of members' debt-carrying and repayment capacities. In this regard, we call for specific attention to the detriments of mounting super-senior debt, notably the risks of crowding out market financing and complicating debt treatments. We welcome the review of program design and conditionality. We support the Fund's efforts to make IMF programs more realistic, resilient, country-specific, and effective. The rigorous implementation of corresponding policies and judicious lending decisions will be key. Given that the Fund's lending toolkit has proved highly flexible and responsive to members' needs, also under severe shocks, we deem the Fund adequately equipped to continue providing effective support.

Ensuring the effectiveness and financial soundness of the IMF and its trusts

The Fund and its trusts must retain solid finances and adequate reserves, to be able to provide continued and effective support to members. In light of persistently high and concentrated financial risks to the Fund, preserving a prudent level of precautionary balances as well as vigilant risk management remain crucial.

Our Constituency attaches great importance to the Poverty Reduction and Growth Trust (PRGT) as a key element of the Fund's support for LICs. Close cooperation, mainly with the World Bank, remains essential for PRGT programs to be effective. Poland joined the group of contributors in 2024. Switzerland, a longstanding contributor to the PRGT, is ready to provide assurances on a further contribution to the PRGT by consenting to its share in the Interim Placement Administrative Account being transferred directly to the PRGT Subsidy Account.

Tackling debt vulnerabilities

The Fund's work on debt-related issues remains a priority. High and increasing debt vulnerabilities are a pressing concern in many countries. We reiterate our support for efforts to improve the effectiveness of coordinated case-by-case debt treatments, enhance debt transparency and debt management, and strengthen the Fund's debt policies and analytical tools.

Debt challenges and their root causes must be comprehensively addressed, underpinned by thorough and prudent debt sustainability analyses (DSAs). DSAs must err on the side of caution, flag debt stress and sustainability risks in time, and contain the risk of doing "too little, too late" regarding potential debt treatments. We welcome the completion of the review of the debt sustainability framework for low-income countries, while emphasizing the need for vigilance in detecting emerging vulnerabilities. Also, we stress that strong macroeconomic policies and reforms, notably to enhance domestic resource mobilization and public financial management, are necessary elements of a comprehensive approach to tackling debt vulnerabilities.

Cross-cutting issues

In light of dynamic and transformative technological change, the Fund needs to further strengthen its understanding of relevant AI developments and associated opportunities and risks for members. Fund work on AI should focus aptly on macro-critical issues within its mandate and areas of expertise and be aligned with members' needs.

We support continued Fund work on digital finance. Its analysis and advice on the macrofinancial implications of crypto assets and stablecoins, central bank digital currencies, and other financial innovations can help its members develop digital strategies that allow reaping the benefits of digitalization, while safeguarding financial stability and integrity.

The Fund should continue promoting macroeconomic resilience against climate risks. The agreed climate strategy anchors the Fund's work in this area and should be implemented across all its activities.

On all cross-cutting issues, close coordination and cooperation with—and, where appropriate, deference to—other relevant international institutions and fora is called for, to ensure a sensible division of labor and avoid duplications of efforts.

IMF resources and governance

Our Constituency supports a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. At the current juncture, the adoption of the package under the Sixteenth General Review of Quotas remains the main priority. We continue to recognize progress on quota share adjustments for the most underrepresented members, based on the existing quota formula, as an important objective. We also highlight that quota share adjustments should aim to better reflect members' relative positions in the world economy, while protecting the quota shares of the poorest members. We reiterate that a member's relative position in the world economy is determined both by GDP and by non-GDP elements and variables—quota shares and the quota formula should continue to reflect this. We also reiterate the importance of voluntary financial contributions in helping to finance core IMF activities, as well as the need for any quota or governance reform to be acceptable to a large majority of the membership.

For the IMF to be effective, the quality of its work as well as its integrity and reputation must remain impeccable. Highly skilled and motivated Fund staff are key to achieving this. The Fund also needs to be exemplary in terms of efficient procedures, practices, and budgetary prudence, as

well as in maintaining a strong balance sheet. The reallocation of resources to meet evolving priorities and needs should remain a core element of the budget process.