

IMF Inspired: Conversation between Commissioner Paolo Gentiloni and Kristalina Georgieva
April 13, 2021—11:00 a.m. to 12:00 p.m.

Moderator:

Sam Fleming, Brussels Bureau Chief,
Financial Times

Speakers:

Paolo Gentiloni, EU Commissioner
Kristalina Georgieva, Managing Director,
IMF

The discussants discussed Europe's response to the COVID-19 crisis and its policy priorities ahead.

Key Points:

- **Outlook and risks.** *Georgieva* noted that vaccination has contributed to a better outlook for 2021. *Gentiloni* noted that while stringent measures are still in place, he expects the recovery to gain speed in the second half of the year. *Gentiloni* highlighted the EU's strong and timely response to the crisis, noting the new fiscal tools at the EU level. *Gentiloni* shared the EU's current experience with the vaccine rollout--while slow at first, the vaccination rate had picked up: a total of 100 million doses were administered in the first quarter of this year, a figure that is likely to treble in the second quarter.
- **Policy response.** *Georgieva* noted that without the swift and decisive actions from the US and EU, the scale of the recession would have been three times deeper. She rejected comparisons between the US and EU: while the EU has relatively strong automatic stabilizers, the lockdowns and travel restrictions have been more stringent, and the economic structure is different. She underscored that well targeted fiscal measures, including a coordinated green initiative focused on pursuing carbon pricing, public investment in the green infrastructure, and ensuring a fair transition, can boost growth and reduce scarring.

Quotes:

"Vaccinations remain the number one economic policy factor; we calculated that if the world was to accelerate vaccinations, we would gain some US\$9 trillion of output between now and 2025." **Kristalina Georgieva**

"There is no question in my mind that the best public investment any country can make is to contribute to accelerating vaccination, that also applies to the EU." **Kristalina Georgieva**

"We should not relax, we should not be complacent, there is a lot to do in the months ahead" **Kristalina Georgieva**

"We need to not only have a rebound of what we lost, but we need to use this rebound to have a more sustainable, resilient and competitive EU." **Paolo Gentiloni**

"Monetary policy should be strengthened by a more coordinated fiscal policy." **Paolo Gentiloni**

"This common money is quality growth, which should be connected to the green transition, the digital transition and the reforms." **Paolo Gentiloni**

Contributor: Dannah Al-Jarbou