



International Financial Architecture: Challenges Ahead and G20 Agenda

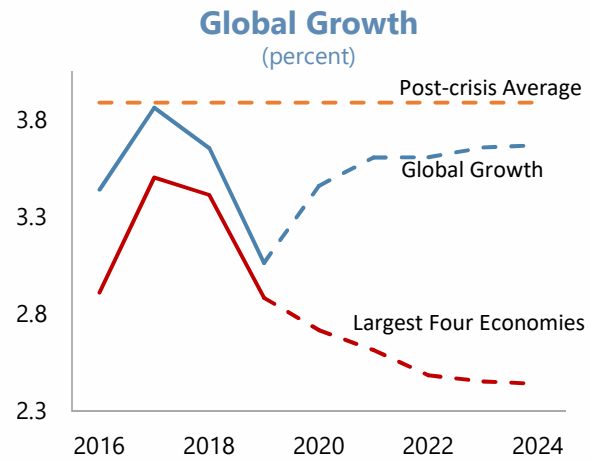
Ana Corbacho
International Monetary Fund

G20 Global Financial Stability Conference
November 5, 2019
Seoul, Republic of Korea

Disclaimer: The views expressed are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Precarious Global Outlook

- Synchronized slowdown



INTERNATIONAL MONETARY FUND

3

Precarious Global Outlook

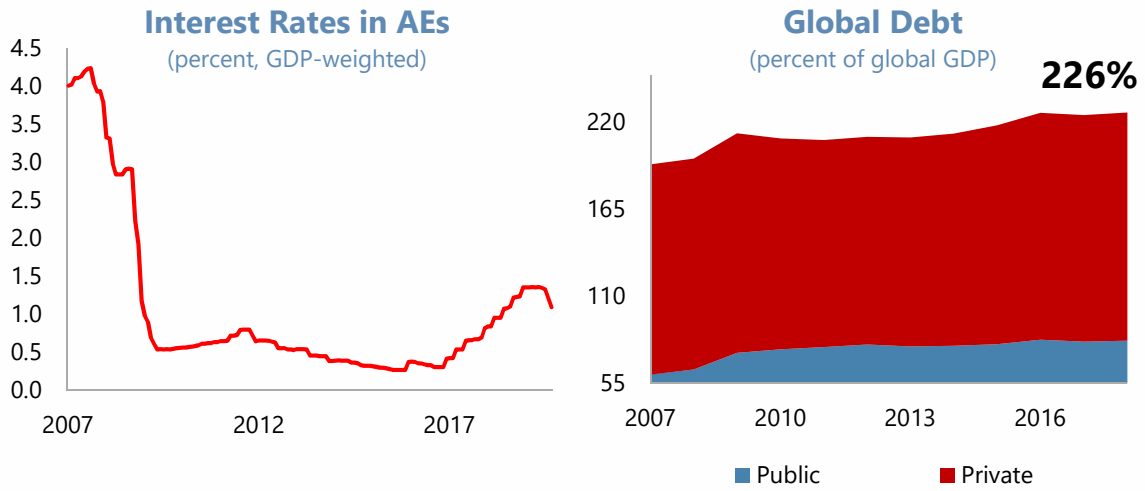
- Synchronized slowdown
- Rising uncertainty



INTERNATIONAL MONETARY FUND

4

Limited Policy Space



INTERNATIONAL MONETARY FUND

5

Three Challenges Ahead

LOW-FOR...EVER?

DEBT VULNERABILITIES

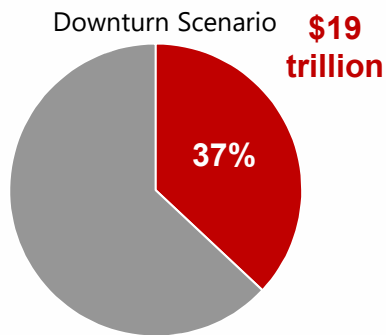
FINTECH: DIGITAL ASSETS

INTERNATIONAL MONETARY FUND

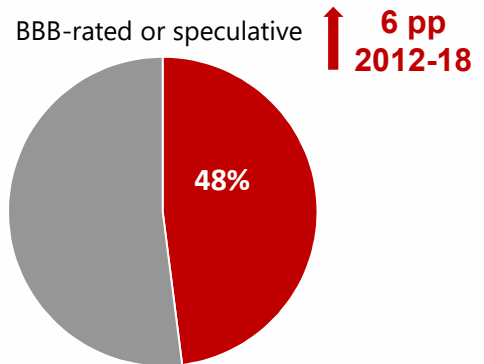
6

Financial Vulnerabilities

Corporate Debt-at-Risk



European Insurers' Portfolio



INTERNATIONAL MONETARY FUND

LOW-FOR...EVER?

DEBT

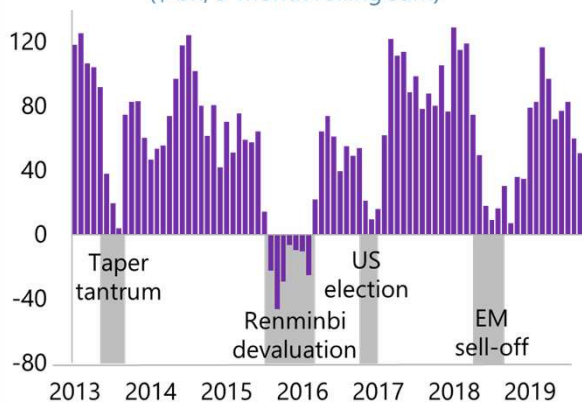
FINTECH

7

Capital Flows

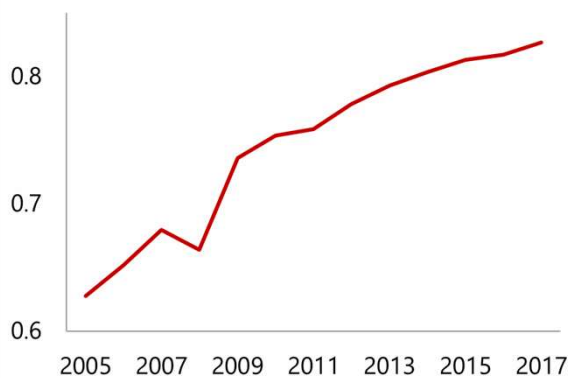
Portfolio Flows to Emerging Markets

(\$ bn, 3-month rolling sum)



Global Network Density

(Index 0-1)



INTERNATIONAL MONETARY FUND

LOW-FOR...EVER?

DEBT

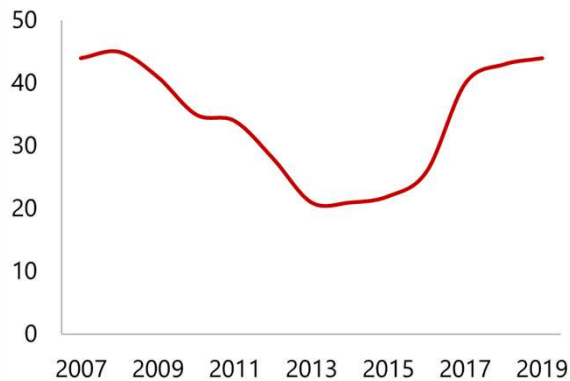
FINTECH

8

LIC Public Debt Vulnerabilities

Debt Distress

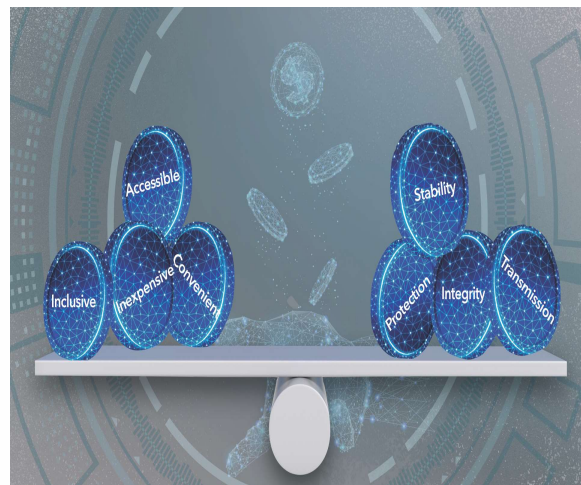
(percent of LIDCs "in" or "at high risk")



- Debt surprises
- New instruments
- Shift in creditor landscape
- Resolution challenges

Fintech: Emerging Digital Assets

- Crypto assets
- Stablecoins: Benefits and risks?
- Role for CBDCs?





Policy Agenda



1) Enhance Financial Resilience

- Financial Surveillance
 - ✓ Macprudential policies
 - ✓ Impact of low interest rates

LOW-FOR...EVER?

DEBT

FINTECH



1) Enhance Financial Resilience

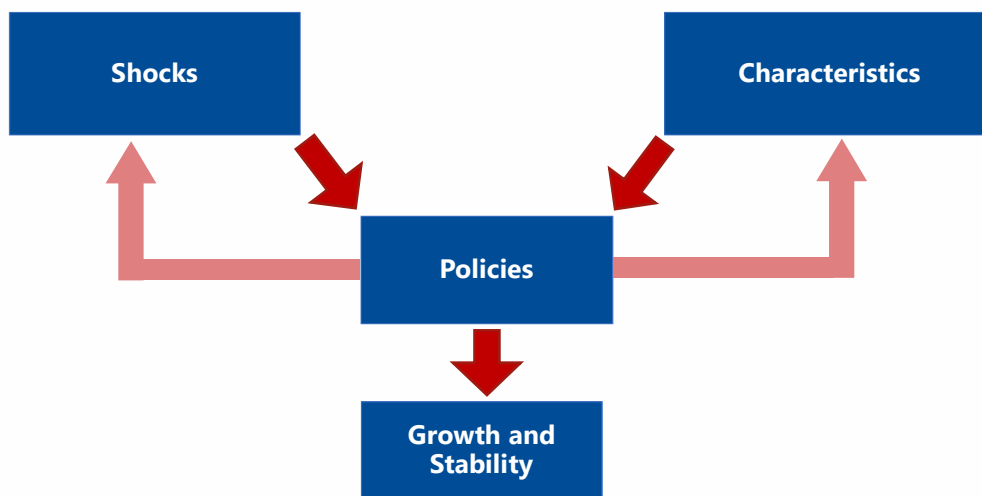
- Financial Surveillance
 - ✓ Institutional View
- Capital Flows
 - ✓ Integrated Policy Framework

LOW-FOR...EVER?

DEBT

FINTECH

What is the IPF?





1) Enhance Financial Resilience

- Financial Surveillance
- Capital Flows
- Capital Markets

**G20
SAUDI
ARABIA**

LOW-FOR...EVER? DEBT FINTECH



2) Address Debt Vulnerabilities

IMF-WB Multi-pronged Approach



**G20
2019
JAPAN**

**G20
SAUDI
ARABIA**

LOW-FOR...EVER? **DEBT** FINTECH



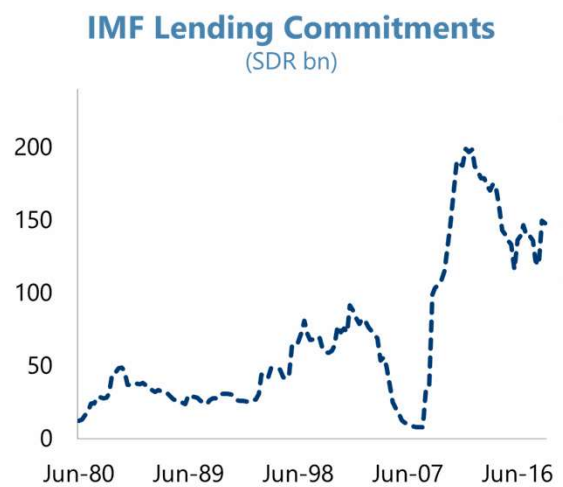
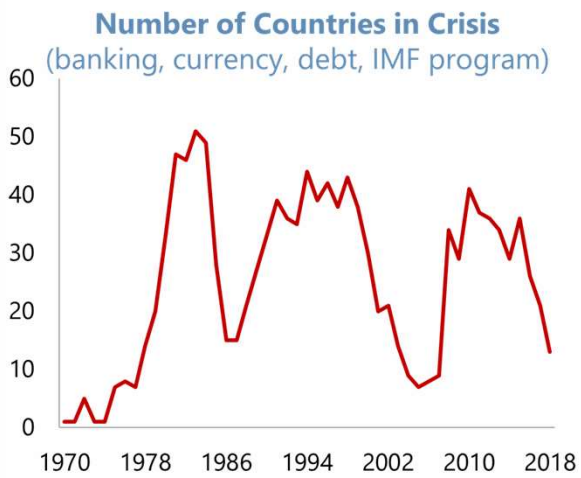
3) Assess Digital Assets

- Digital Currencies and Cross-Border Payments
- Macroeconomic Implications of Stablecoins



LOW-FOR...EVER? DEBT FINTECH

Crisis Episodes

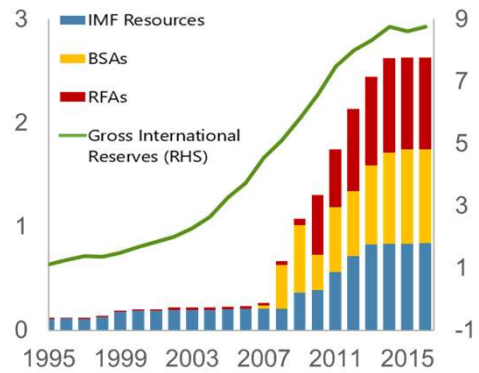




4) Strengthen Crisis Response

- GFSN

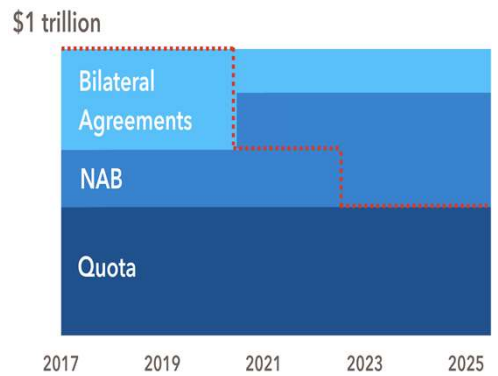
Layers of the GFSN
(\$ bn)



4) Strengthen Crisis Response

- GFSN
- Fund Resources

Composition of Fund Resources
(\$ bn)





4) Strengthen Crisis Response

- GFSN
- Fund Resources
- Fund Lending Toolkit
 - ✓ Precautionary Instruments
 - ✓ Conditionality and Facilities

Final Remarks

- Precarious outlook
- Important challenges
- Critical role for multilateral cooperation and the G20



Ana Corbacho
International Monetary Fund