

IMF Projects Global Economy in 2020 to Contract by a Mere 3%. Is this a Joke?

Transcript of a Skype PressTV interview (slightly enhanced)

By [Peter Koenig](#)

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Theme: [Global Economy](#)

Background

The International Monetary Fund projects that the global economy will fall by three percent in 2020 due to the coronavirus pandemic.

The IMF chief economist branded the widespread restrictions around the world as the Great Lockdown. Gita Gopinath said the projected cut in the global economy will be the worst since the Great Depression in the 1930s. She said the eurozone economy would crash by a staggering 7-point-5 percent this year. Gopinath noted that some of the coronavirus economic damage in the US will spill over into second half 2020 and 2021. The IMF called for a coordinated stimulus to help the global economy rebound. It called on the official creditors to provide debt relief to poor countries.

PressTV: What is your view on this prediction?

Peter Koenig: It looks to me rather like the IMF missed a zero in its projections – 30% rather than 3% seems more like reality. What planet are they on? – Making the world believe it's nothing special, just a little deeper dip than in other recessions – and with a hefty infusion of IMF balance of payment and budget support loans -mind you maybe at low interest, but with the usual strings attached of privatization and natural resources exploitation concessions for multinationals – all will be getting back to normal.

Yes, the IMF's call for debt relief is certainly a good thing. But it's precisely the IMF and the World Bank, who have to start forgiving debt in poor countries, instead of waiting for others to go first. Well, we are seeing that not even in Greece the IMF is capable of writing off the – literally – deadly debt.

Simply back to normal is this time not the case. And its maybe a good thing. All the misery that this – and let me emphasize – **this planned destruction of the global economy** – will bring to particularly the poorer nations and their people, is barely the tip of the iceberg. – This literal collapse of the global economy is a once-in-a-life-time opportunity to break loose from the predatory and fraudulent dollar-economy – deglobalize and get out from the fangs of the IMF, World Bank and alike.

Let's face it – this pandemic which by most serious medical doctors, including Dr. Fauci (Director NIAID / NIH), when he talks with his academic colleagues and mentions COVID19 as a stronger form of flu, and other micro-biologists, and virologists, did in no way justify a

total planet lockdown. This COVID19 pandemic, declared as such by the coopted WHO-created – and still creates so much socioeconomic desolation and human misery, as did nothing else in the last 100 years, actually in modern history.

The FED, Goldman Sachs, Bloomberg — and more, have predicted next quarter unemployment in the US alone may reach 32% to 40%; bankruptcies are spiraling out of control – triggering a domino of further lay-offs. And the picture is similar in Europe. Let's not even mention the Global South, where the informal sector already today accounts for at least 30% of the economy – it's gone. With a crisis, informality will increase. Most so-called development countries have none or only flimsy safety nets to help these people who have lost everything, their jobs, pensions, can't pay their rent any more, nor buy food, nor pay medical bills....

Suicides may become rampant, as they have been in Greece after the 2008 – also man-made- crisis – and suicides are still one of the highest causes of death in Greece.

And yet, the IMF is talking about worldwide contraction of a mere 3% ? -Whom are they trying to fool?

The countries of the Global South also have little reserves **and much debt. And the corona crisis- and I have to repeat -man-made corona crisis** – is making the situation for the Third World countries and their people much worse than for the global industrialized north. Poverty will skyrocket. – And more so, if the IMF comes in with their privatization programs.

PressTV: So, what do you think countries have to do to restart their economies under new parameters?

PK: By now it is clear to most people and most governments, Globalization has helped only a few national and international oligarchs and international and globalized private banks and corporations. The big losers were the people at large.

I think now is the time for countries to regroup. To abandon globalized structures, like the European Union, and especially the euro that deprives member countries of their financial sovereignty – detach themselves from IMF, WB, WTO and Regional Development Banks and similar globalized structures that increase their dependence and debt burden.

They may consider going back to their roots, economically, financially and culturally and start rebuilding their economy foremost with their own production for their own consumption with their own currency and their own publicly owned central bank, plus a public banking system that works for the needs of the local economy.

International trading and dealings may be best started only with neighboring or culturally and ideologically alike nations.

China is a prime example. China has worked towards and practically achieved self-sufficiency until about the 1980s, when they started opening up their borders for international trade and investments. And look where China is today – the second economic world power, and by many accounts already the first.

There is a need for rethinking the entire economic paradigm – not to get back into the same

fraudulent debt trap of before corona.

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