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Corona Crisis:

World Bank Annual Meetings: Minister Müller supports proposal for debt relief

Federal Development Minister Gerd Müller commented on today's annual meetings of the World Bank:

"The corona crisis hits the poorest countries hardest. After global hunger has been halved since 1990, an additional 130 million people are falling back into hunger and poverty this year alone. The countries urgently need new liquidity in the fight against the hunger and economic crisis. The debt moratorium agreed in April has already helped 46 of the poorest countries to save around five billion US dollars in interest and use it instead for the fight against Corona. The now planned extension of the moratorium by the G20 until the middle of next year is important, but it is far from sufficient. The crisis will not be over in a year. That's why investment funds and private banks must join in instead of simply continuing to make high returns and repayments. Chinese lenders must also participate.

Moreover, the danger of a new debt crisis is far from over. 100 billion dollars of capital have flowed out of developing countries, many currencies have fallen, some by 35 percent, and commodity prices are collapsing. This brings many countries to the brink of state collapse.

The next step is to cancel the debts of the poorest countries. I support World Bank President Malpass's recent initiative to do so. The prerequisite is a new debt transparency initiative: all financial channels must be disclosed. No euro must be allowed to enter corrupt channels. The interest saved must be invested in health and social security".