



## High-Level Meeting with Heads of State and Government on the International Debt Architecture and Liquidity

Financing for Development in the Era of COVID-19 and Beyond

29 May 2021

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ICC Secretary General John W.H. Denton AO

- Thank you, your Excellency Mr Secretary-General and the Honorable Prime Ministers of Canada and Jamaica, for the opportunity to address this session.
- Your Excellencies, distinguished colleagues, ladies and gentlemen:
- In our first High Level Meeting – in May of last year – we urged governments not to forget the financing needs of small businesses who have been deeply affected by the economic impacts of COVID-19.
- Recent research has shown two important points bearing on the plight of small and medium-sized enterprises (SMEs):
- The first is that **COVID-19 has had a dramatic impact on the failure rates of SMEs.** In countries which cannot afford to provide government support for SMEs – including least-developed countries

- Instead, the **biggest risk to SME failure** at this juncture instead come from a lack of **sustained fiscal support** until such time that economic activity returns to pre-pandemic levels.
- This in turn creates a risk of a **sudden retrenchment of bank finance** which could further accelerate business failures.
- It is abundantly clear that what we need is **a new global solidarity package** that can enable developing economies to implement targeted stimulus and support programmes to keep their economies afloat, support SMEs and mitigate the risks of long-term economic scarring.
- While we are glad to see positive signals recently from the G20 and G7 on a major issuance of IMF Special Drawing Rights (SDRs), **the time for debate on this is surely over.**
- Liquidity conditions in emerging economies are tight *now*, SMEs are hurting *now*.  
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