
Recession reports - IMF sees world unemployment peaking up after 12 months

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International Monetary Fund said that world unemployment will not peak for at least another 8 to 12 months at least as the economic recovery takes root.

Mr Dominique Strauss Kahn MD of IMF said that "For all countries, it will take from now on at least 8 to 12 months before unemployment will decrease." He added that in advanced countries, the peak could occur in 10 to 12 months.

He warned that unemployment lags economic recovery and was not expected to decrease very rapidly amid the worst economic crisis since the Great Depression. He said that "The problem we are going to face in the coming year may be much more important, much more difficult to solve in low income countries and some emerging countries than in advanced economies."

He said that compared with advanced countries, where the recession has meant a couple of percentage point changes in purchasing power or unemployment, in low income countries it goes to a question of life and death, or starvation.

Mr Strauss Kahn called for members to increase the resources of World Bank so it can aid developing and poor countries cope with rising unemployment. He said that "What the World Bank, and for a much more limited part, the IMF can provide to these countries will be absolutely critical and that's why the question of resources is so important."

The IMF forecast unemployment in advanced economies would rise to 9.3% in 2010 from 8.2% this year. It did not provide jobless projections for other types of economies.

(Sourced from AFP)

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