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## **Recession reports - IMF sees global economic crisis to continue**

*Monday, 14 Sep, 2009*

Reuters quoted Mr Dominique Strauss Kahn MD of International Monetary Fund as saying that global economic crisis will continue and countries must do more to adopt financial market regulations.

He said that "The global economic crisis will continue, even if Germany and France had some good figures in the second quarter."

Mr Strauss Kahn said that he wanted to see more action from nations to curb bankers' pay and tighten capital requirements in the banking sector. He added that "It is right to say that not enough has happened. I hope the Group of 20 meeting in Pittsburgh will bring new momentum."

He said that the lesson of the financial crisis was that the market economy needed rules to function. He added that "Without new rules, there will be a return to the old behavior. We need such exit strategies. We are working on them, but I would disagree with any demand to think about implementing them now."

Asked by the magazine how liquidity that had been pumped onto the markets would be withdrawn, Mr Strauss Kahn said that a combination of higher interest rates and ending direct intervention of central banks would be needed. He also said the IMF had sufficient resources for now but that if the body were to take on additional responsibilities to coordinate a financial safety net for countries in financial difficulty, it would need a further financial boost.

(Sourced from [www.reuters.com](http://www.reuters.com))

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