

# Chancellor rallies further economic support for Ukraine during IMF Meetings

- Chancellor reiterates UK's unwavering support for Ukraine during discussions with global counterparts at International Monetary Fund Spring Meetings in Washington D.C.
- Rishi Sunak also held talks with Ukrainian Finance Minister Serhiy Marchenko and called on partners to "go further and faster" in their support for the war-torn country.
- In response to global inflation and supply chain issues Chancellor also urged counterparts to continue their co-ordinated action to support shared cost of living challenges.

Rishi Sunak held a series of meetings with partners from the G7 and G20 during the trip – where he discussed the ongoing response to the war along with the resulting inflationary and supply chain challenges faced by economies across the globe.

He also held talks with Ukrainian Finance Minister Serhiy Marchenko and reiterated the UK's unwavering support for the war-torn-country's people and economy – committing to continue to stand shoulder to shoulder with them in their hour of need.

It came after representatives from the UK left the G20 Finance Ministers and Central Bank Governors meeting alongside US and Canadian allies in protest against the war as the Russian delegates spoke.

## **Chancellor of the Exchequer Rishi Sunak said:**

The UK is unwavering in our support to the people of Ukraine and has committed to make over \$2bn of financial, humanitarian and military assistance available to Ukraine.

I urge all likeminded international colleagues to step up, deliver and go further and faster in their economic and humanitarian assistance to Ukraine.

As finance Ministers we face common challenges – a global supply squeeze, rising prices, and the cost of Putin's aggression.

It's more important than ever that we coordinate our efforts to minimise the impacts on ordinary people at home.

Speaking during the IMF Committee meeting on Thursday morning, Rishi Sunak announced his aim to channel \$2.5 billion worth of Special Drawing Rights, an international reserve asset (equivalent to £2.6 billion) to the IMF's newly established Resilience and Sustainability Trust (RST), and urged others to also step up in providing resources to ensure the RST is up and running by the IMF Annual Meetings later this year.

The RST fills a crucial gap in the IMF's toolkit, providing affordable long-term financing to low income countries and vulnerable middle income countries to address challenges such as climate change, energy security and pandemic preparedness. It will play a vital role in providing financing to combat climate change and bolster energy security, including for Ukraine and other countries worst affected by the war.

The Chancellor also announced the UK will impose further bans and tariffs on Russian imports. Over the coming weeks, the UK will ban additional Russian goods from reaching UK shores, including wood and glass, and will also be imposing tariffs on additional products, such as diamonds and rubber. With these new measures, the UK will be imposing import restrictions on Russian goods worth over £1 billion.

During the two-day series of meetings, G7 Finance Ministers also acknowledged the war against Ukraine is causing severe disruption to the global economy – impacting inflation and the cost of living at home. Mr Sunak called on his international partners to work together to monitor these global pressures and pushed his partners to take co-ordinated global action where possible to support the resilience of our economies.

### **Further information**

- Whilst in Washington DC, the Chancellor on Wednesday 20 April:
  - o Had a bilateral with Serhiy Marchenko, Minister of Finance of Ukraine
  - o Attended the G7 Finance Ministers and Central Bank Governors Meeting
  - o Attended a G7 Finance Ministers Dinner, hosted by Janet Yellen as the US Treasury
- And on Thursday 21 April:
  - o Spoke in the IMF Committee Plenary
  - o Met with a series of International counterparts including, Deputy Prime Minister of Canada, Chrystia Freeland, US Treasury Secretary Janet Yellen, Lawrence Wong, Minister of Finance, Singapore, Paulo Guedes, Minister of Finance, Brazil, Sri Mulyani, Minister of Finance, Indonesia and Deputy Managing Director of the IMF, Gita Gopinath
- The UK's total over \$2 billion support package for Ukraine is broken into
  - o Around \$500 million in economic and humanitarian grant support for Ukraine.

This comprises: a £220 million (c.\$290m) package of humanitarian aid, making the UK a leading bilateral humanitarian donor; a c.£75m (\$100m) fiscal support grant, channelled through the World Bank Trust Fund; a £100 million (c.\$130m) grant to support Ukraine's energy security and reforms,

o Almost \$1 billion in guarantees on World Bank lending to Ukraine, unlocking additional WB financing on a 1:1 basis over the coming months. These financial guarantees are subject to parliamentary approval.

o Over £450 million (c.\$590m) in lethal and non-lethal military aid, including thousands of anti-tank weapons

- The Special Drawing Right (SDR) is an international reserve asset created by the IMF to supplement other reserve assets of member countries.
- A flagship UK policy priority during the UK G7 presidency, the Resilience and Sustainability Trust is an IMF mechanism to provide finance to low income and vulnerable middle-income countries to build economic resilience and ensure a sustainable economic recovery. It was established last week to aid vulnerable countries with long term structural challenges, and will become operational by Autumn this year, and the UK will look to agree with the IMF the delivery details of the Chancellor's aim to channel over £2.5bn in the coming months.
- Please see more details on the latest import sanctions announcement [here](#).