Investors have pulled $83 billion from emerging markets since the beginning of the COVID-19 crisis, the largest capital outflow ever recorded, and the IMF and the World Bank are calling on G20 countries to show relief in dealing with their emerging market counterparts.

Following a meeting of G20 finance ministers and central bank governors on Monday March 23, IMF managing director, Kristalina Georgieva predicted there would be a global downturn at least as bad as the 2008 financial crisis but there will be a recovery in 2021.

Georgieva pointed out that advanced economies were in a much better position to respond to the crisis.

"Many emerging markets face significant challenges, they are badly effected by outward capital flows and their domestic activity will be severely impacted as countries respond to the epidemic," she said. "We are particularly concerned about low income countries in distress. An issue we are working closely with the World Bank."
the lockdown.

“We don’t know how severe the impact of the lockdowns will be on the economy. I can imagine a situation where it is quite severe if the lockdown persists for a long time. There are many sectors that are closed for the duration of the lockdown,” he said, naming tourism, retail, travel and some parts of manufacturing.

“Whether it lasts three weeks or three months is the critical variable. Some sectors like healthcare will boom but the vast majority of the economy will be affected. So it could be a much more significant sharp recession after which, assuming the virus is conquered, there could be a very sharp recovery. The timing of this is so uncertain that predictions are almost pointless.”