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Is the Global Economy About to Crash?

When the imf warns of global recession, we should pay attention.

- Richard Palmer
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Last week, the International Monetary Fund (imf) published a dire warning about the state of the global economy. In the latest *imf Global Financial Stability Report*, Managing Director Christine Lagarde warned that “large challenges loom for the global economy to prevent a second Great Depression.”

The fact that the imf is warning about a possible second Great Depression got a lot of people’s attention—and rightly so. It’s not hard to find alarmist economists out there who warn about imminent economic collapse. It is far rarer for an organization with the stature of the imf to issue a warning titled “A Decade After the Global Financial Crisis: Are We Safer?”

This is not just fearmongering. The possibility of a second Great Depression becomes more and more probable every day.

One of the main subjects covered in the report is the massive global debt. Remember the 2008 global financial crisis? Nations got out of that crisis by borrowing and printing a ton of money. That got the world out of trouble temporarily. However, 10 years on from that recession, we still haven’t paid off any of the money we borrowed in 2008. In fact, the world is *even deeper* in debt than it was 10 years ago in the depths of the recession. If another recession hits, how could we stop it from spiraling completely out of control?

“The extended period of ultralow interest rates in advanced economies has contributed to the buildup of financial vulnerabilities,” warned the imf. “The large accumulation of public debt and the erosion of fiscal buffers in many economies following the crisis point to the urgency of rebuilding those defenses to prepare for the next downturn.” The report went on to state, “Some of the crisis management tools deployed in 2008–09 are no longer available ... suggesting financial rescues in the future may not be able to follow the same playbook.”

Just before the 2008 crisis, the total debt of states, households and nonfinancial companies equated to more than double (210 percent) the value of of the entire global economy. Now, global debt is at 250 percent of the global economy. It would take everything the world could produce for *2½ years* to pay off all of those debts.

This is unsustainable.

The imf report points out that debt is a critical issue at every level of the economy. It’s not just federal government debt; it’s state government debt, local government debt, household debt, business debt, pension debt and more. Just about every level of the global order has borrowed itself into oblivion.

An economic collapse is a danger in its own right. But it would also intensify all the other disturbing trends we see around us.

“Alarmist as that may sound, it’s worth keeping in mind that all the major geopolitical processes we’ve been tracking for the past several years have occurred in a time of relative economic stability. It won’t last forever,” wrote Geopolitical Futures. “When money gets tight, geopolitical fault lines are more likely to rupture.”

Look how divided America is today. What happens when unemployment shoots up, pensions disappear, and cities go bankrupt? The Middle East is a mess already. What happens when economic problems topple two or three regimes? Europe is already struggling to avoid an economic crisis in Italy as it is. Ambrose Evans-Pritchard wrote for the *Telegraph* on October 10, paraphrasing a projection from think tank Notre Europe: "The eurozone will not survive another global recession as currently designed."

One of Herbert W. Armstrong's key forecasts, based on Bible prophecy, was that a massive *banking crisis* in America "could suddenly result in triggering European nations to unite as a new world power larger than either the Soviet Union or the U.S." He wrote that in 1984.

This is just one prophecy that a global economic crisis would help accelerate.

The Bible warns us that God will take away Britain's and America's financial prosperity. Scriptures like Revelation 18 paint a dramatic picture of the new financial system that will replace our current one. The financial crisis of 2008 pushed us toward this prophecy's fulfillment. A major economic crash would bring us even closer.

For more on where this is leading, read *Trumpet* editor in chief Gerald Flurry's article ["A Bold Warning: America's Economic Collapse."](#) ■