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Statement by the Hon. **HIKMAT M. IBRAHEEM AL-AZZAWI**,
Governor of the Fund for **IRAQ**,
at the Joint Annual Discussion

Statement by Hikmet Al Azawi
Iraqi Minister of Finance and IMF Governor
at the Annual Meetings of the IMF and World Bank

Mr. Chairman, Governors, ladies and gentlemen, I am honored to greet you on behalf of the Iraqi delegation and to express our wishes for continued success to you, Mr. Chairman, and to the managing director of the IMF, the president of the World Bank, and the governors attending this meeting today, in your efforts to achieve the goals pursued by the international community, and by the Bretton Woods institutions in particular.

Mr. Chairman, over the past eight years, whenever the Iraqi delegation has been able to attend these meetings, it has pointed out the contradiction between the economic sanctions imposed on Iraq, along with the freezing of its assets and bank deposits, and the economic principles advocated by the Fund's Articles of Agreement. We have tried to bring to light the economic and social effects of these sanctions on the lives of the Iraqi people, especially children and the elderly. The sanctions deprive our people of the chance to lead a decent life and prevent them from choosing a path to development that is in keeping with their environment, philosophy, social system, and the independent life they choose to live.

Throughout this period, the Iraqi delegation has called on the Bretton Woods institutions at the annual meetings of IMF governors, finance ministers, and governors of central banks to do their utmost to remove the economic sanctions against Iraq, relieve the suffering of an entire people, and stop the human catastrophe caused by long years of deteriorating conditions with no end in sight. Yet, despite our urgent appeals, economic sanctions against the Iraqi people remain in effect.

The leaders of the Bretton Woods institutions have faced great challenges and, in keeping with the principles of their articles of agreement, have endeavored to overcome the problems besetting the world economy, while at the same time working to strengthen the structure of the international monetary system. They dealt with the problem of indebtedness that emerged in the 1980s by reducing the debt burdens of the poorest countries, and helped prevent the Mexican crisis in 1994 from spreading to nearby countries and other economies. These institutions have persisted in the struggle against world poverty and have continued their efforts to improve living conditions in the poorest countries through improved health and educational services and technical assistance aimed at overcoming the most urgent problems in these countries. They have announced their determination to help achieve sustainable world growth, to fight corruption, promote the transparency and timeliness of information, and to meet the challenge of the Asian economic crisis by providing financial and technical assistance to mitigate its effects.

Despite these many difficulties, the IMF has continued to work on amending its Articles of Agreement to allow for capital account convertibility, in keeping with the trend toward globalization and integration of the world's financial markets, which the Bretton Woods institutions are working to help achieve.

Regardless of our agreement or disagreement concerning the methods for dealing with and resolving these problems, we must surely agree that sanctions against any country are in conflict with the principles adopted by the international community and its institutions, particularly the Bretton Woods institutions. Are economic sanctions and the freezing of bank deposits not in conflict with the call for liberalization, strengthening the international monetary system, convertibility, and integration of the world's financial markets? Are sanctions not in conflict with attempts to improve the living conditions of the poor in developing countries? Ladies and gentlemen, are sanctions not in conflict with the goal we defined during the annual meetings in 1996: working together to achieve sustainable world growth? Are sanctions not in conflict with efforts to reduce the burdens of indebtedness?

Mr. Chairman, Governors, I am speaking not only of the sanctions imposed upon the Iraqi people and their harmful effects upon an entire nation, a nation that had a pivotal role in advancing human civilization, a nation that participated effectively in building its economy, promoting its development, and improving its standard of living from the 1970s until sanctions were imposed, and that even provided financial and technical assistance and concessional loans to a number of developing countries in Africa, Asia, and Latin America. I am speaking here of sanctions that are being used as a political weapon against particular countries, in conflict not only with the articles of agreement of the Bretton Woods institutions, but also with their principles and announced policies, and with the desires of the world community to promote development, fight poverty and hunger, and achieve a world in which justice and peace prevail.

Ladies and gentlemen, I stand before you today, asking the world community and the leaders of the Bretton Woods institutions to announce a bold and straightforward position on economic sanctions, based on their articles of agreement and on the principles and policies aimed at strengthening the international monetary system, fighting poverty, and promoting development.

Your institutions announced an unequivocal position on government corruption at a time when discussions on the subject were a cause of concern on many fronts. Today, I ask you to accept the challenge and announce a clearly defined position on the imposition of economic sanctions. The Bretton Woods institutions have never lacked the requisite boldness, as demonstrated by their continued willingness to meet the great challenges facing the world economy, while at the same time increasing the international community's confidence in them by refusing to yield to the dominance of certain countries.

Thank you very much.