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Statement by the Hon. **TIMOTHY F. GEITHNER**,  
Governor of the Fund and the Bank for the **UNITED STATES**



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Governor of the Fund and the Bank for the United States**

On behalf of President Obama, welcome to Washington. We gather here for the Annual Meetings of the World Bank Group and the International Monetary Fund (IMF) to reaffirm our collective commitment to strengthen the global economy, build a more stable financial system, and create opportunities for the world's poorest.

Two years ago, the world economy was in the grip of an economic crisis on a scale not seen since the Great Depression. The United States and the countries here together this weekend joined forces to launch a powerful, dramatic response. This cooperation was historic and has helped stabilize our financial systems, restart global growth, and protect developing economies from some of the worst impacts of the crisis.

Collectively, we delivered a coordinated program of macroeconomic stimulus to our economies and mobilized substantial firepower through the international financial institutions. We committed to keep markets open to trade and investment. We embraced a common framework for reform of the global financial system. Because we worked so effectively together, all of our economies are better today than would otherwise have been possible.

But we are not done.

The challenge before us now is to strengthen the pace of growth and repair and to do so in a way that provides the basis for a more balanced and therefore more sustainable global economic recovery. We must address this core challenge together for no one country can solve it alone.

The United States believes that global rebalancing is not progressing as well as needed to avoid threats to the global economic recovery. Our initial achievements are at risk of being undermined by the limited extent of progress toward more domestic demand-led growth in countries running external surpluses and by the extent of foreign exchange intervention as countries with undervalued currencies lean against appreciation. These are the critical challenges of this period, and we must work collectively and through our multilateral forums, such as these meetings, to address them cohesively.

The United States is pleased with the pace of progress on international financial reform. We passed sweeping reforms of the U.S. financial system, and the world's central banks and supervisors reached agreement just two weeks ago on a very tough set of global standards for capital to limit leverage in the major global financial institutions.

The IMF will continue to play a critical role on these issues. We are now making progress toward agreement on a very important set of reforms to create a stronger IMF. These changes would strengthen the financial position of the Fund, allow it to respond more quickly and forcefully to future crises, and give the fastest growing emerging economies greater weight in the institution and a greater share of seats on the Board. We must also strengthen the Fund's surveillance role if we are to avoid future crises. Surveillance is one of the Fund's core functions and, in the current environment, the IMF has an important role to play to help ensure that progress toward rebalancing strengthens and that the international adjustment process is permitted to work. It is ultimately the responsibility of countries to act, but the IMF must speak out effectively about challenges and marshal support for action.

The World Bank's mission to end poverty remains vital, and the United States recognizes the value of the Bank's efforts to strengthen broad-based economic growth, including strengthening the private sector and infrastructure, investing in innovation, and building sustainable systems for meeting basic human needs. The World Bank, and the regional development banks, acted with exceptional speed and force to cushion the world's poorest from the worst impacts of the crisis and to help restore liquidity for world trade flows. Their decisive actions were critical to global stabilization efforts and are a fundamental part of the reason why we are now experiencing growth.

As President Obama noted in his new global development policy, the United States is committed to working with the World Bank and the regional development banks as key partners in global development. We will continue to pursue a reform agenda to further strengthen the effectiveness of these institutions and maximize the impact of our investments. We have also committed to help recapitalize them so that they can maintain their pre-crisis lending levels and continue stimulating global growth. The United States has stressed that resources and reforms will be linked, and we look forward to working with our Congress and the World Bank's leadership on strengthening that institution's capacity to deliver results.

To date, we have effectively kept trade protectionism at bay. And as the global economy has started to recover, trade has rebounded, presenting us with a renewed opportunity to advance the multilateral trade agenda. An ambitious and balanced result in the WTO Doha Round has the power to first unlock and then sustain global growth and development, but only if all of the key trading powerhouses—both developed and developing—are prepared to make commitments commensurate with their influence in the international trading system. Locking in the status quo is not enough; real growth and development can only emerge from opening new and meaningful market opportunities. The United States remains fully committed to the multilateral rules-based trading system, a system that helps provide a level playing field for all of its players—and it is critical that the other key players in the system share in this commitment.

The world economy is on the mend, but we have a number of challenges on the horizon that we must address today and in the coming months. We must continue to press ahead on our common agenda if we wish to build better opportunities for our nations, our citizens, and for the poorest around the world.