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Statement by the Hon. **MOHAMMAD ISHAQ DAR**,
Governor of the Bank for **PAKISTAN**

Statement by the Hon. Mohammad Ishaq Dar,
Governor of the Bank for Pakistan

Mr Chairman

Fellow Governors

Distinguished Delegates

It is an honour to participate in 2016 Annual Meetings of the Boards of Governors of World Bank Group and International Monetary Fund. I would like to express my sincere appreciation for excellent arrangements.

I take this opportunity to congratulate Dr. Jim Yong Kim for his successful term as President of the World Bank Group during which he exhibited great leadership qualities. His commitment to issues like climate change, public-private sector growth, human capital development and better health are at the heart of the global development agenda and will set the theme for future interventions. Considering his personal commitment and outstanding performance as President World Bank Group, it is my pleasure to formally endorse his candidacy for a second term.

Global Economic Environment

We are all aware that growth prospects remain weak on global level as the world economy remains vulnerable to shocks. Global economy slowed down in 2015, growing at just 2.4 percent compared with 2.6 percent in 2014. Weak oil and commodity prices, shrinking capital flows and global trade contributed towards a decelerated growth in most developed and emerging economies. Risks to slow-moving global recovery are significant and include deteriorating conditions for exports, weak economic activity in advanced economies, rising private sector debt in a few large emerging markets and heightened geopolitical uncertainties.

Pakistan Economy

Having achieved macroeconomic stability in the last three years through reducing energy shortages, higher revenue collection, wider tax base, significant reduction in fiscal deficit and infrastructure development, we are now focused on consolidating the gains and achieving higher, inclusive and sustainable growth which has been over 4 percent for three years in a row and reached 4.71 percent in financial year 2016, the highest in last eight years. The forex reserves of the country have improved equal to over 5 months of imports.

Poverty Reduction

Earlier this year, Government of Pakistan adopted a new and better methodology for measuring poverty, moving from “Food Energy Intake” to “Cost of Basic Needs” formula, which raised the bar on who is considered poor in Pakistan. According to the new methodology, the poverty headcount percentage declined from 64.3 percent in FY 2002 to 29.5 percent in FY 2014. If measured on the old methodology, the poverty headcount in FY 2014 would have been 9.31 percent.

Despite tight fiscal discipline, government has expanded the social safety net expenditure from US\$ 400 million in FY 2013 to US\$ 1.15 billion in FY 2017. Efforts are continuing for National Financial and Digital Inclusion in order to cater the unserved and underserved segments of society.

We are aligning our development policies, both at the national and sub-national levels, with the Sustainable Development Goals of the United Nations. Human development is a core driver of growth and we continue to invest in all its facets.

Mainstreaming Disaster Risk Management

Climate change, resulting in increased frequency and severity of natural disasters, is a constant challenge for Pakistan. We have mainstreamed disaster risk management into our development policy framework and are developing strong institutional capacity and

resilience so that the economic losses of natural disasters are contained. We are closely working with World Bank Group and other development partners in this regard.

The World Bank Group

We acknowledge the close partnership with World Bank Group which has contributed to development and growth initiatives of Pakistan since 1952.

The current Country Partnership Strategy agreed between Pakistan and the Bank identifies key areas in which the World Bank Group can best assist Pakistan in achieving sustainable development and poverty reduction. We appreciate the Bank for supporting the priorities identified by the Government of Pakistan which are Economy, Energy, Extremism and Education / Health.

Finally, I would express my sincere appreciation for the Board of Directors, the management and the staff of World Bank Group and the IMF for their continued support and cooperation and look forward to further deepening our partnership.

Thank you.