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Statement by the Hon. **ISSAM RASHID HWAISH**,
Governor of the Bank for **IRAQ**,
at the Joint Annual Discussion

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Governor of the Bank for Iraq,
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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 nine years, the Iraqi delegation has pointed out that the economic sanctions imposed on Iraq, along with the freezing of its assets and bank deposits, contradict one of the IMF's most important purposes set forth in Article I, paragraph (iv) of the Fund's Articles of Agreement: to eliminate restrictions which hamper the growth of world trade and to strive to achieve international economic stability and prosperity. This abnormal situation, which is in conflict with the IMF's philosophy and its Articles of Agreement, remains in effect after more than nine years. That is why I am requesting the Fund, in accordance with its objectives, to denounce the continuation of these long-standing economic sanctions against Iraq, one of the founding members that signed the Bretton Woods Agreement in 1945.

The suffering of the Iraqi people and humanitarian considerations require that the international community raise its voice to rectify the deteriorating situation in Iraq, which could lead to a great human tragedy if measures are not taken soon to lift sanctions. The Iraqi delegation has addressed this assembly on several occasions over the past years, describing in detail the economic and social effects of continued sanctions, including their direct adverse effects on the production of goods and services in all sectors of the economy, rising inflation rates and the concomitant deterioration of household incomes, the shortage of medicines and medical equipment, potable water, and sewerage facilities, resulting in significantly higher death rates in the various age groups and the spread of communicable diseases that had once been practically eliminated from Iraq, such as polio, cholera, hepatitis, etc., not to mention the contamination of the environment and its harmful effects on life in Iraq.

More than two years have elapsed since the initial implementation of the memorandum of understanding concerning the "Food for Oil" agreement signed by Iraq and the United Nations on March 20, 1996, whereby limited quantities of crude oil would be exported in order to import food, medicines and medical equipment, and other basic necessities of life. Yet Iraq continues to face a number of artificial obstacles to implementing contracts signed on the basis of this agreement, owing to the position taken by the United States and supported by the United Kingdom—alone in the international community—which contradicts the agreement's objective of relieving a small measure of the suffering and pain the Iraqi people are enduring as a result of these protracted sanctions, which are

unprecedented in human history and in complete contradiction with the provisions of international law.

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. I am also speaking 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 international community to promote development, fight poverty and hunger, and achieve a world in which justice and peace prevail.

Mr. Chairman, Iraq has both rights and obligations with respect to the IMF and the World Bank, and we wish to exercise these rights to meet our obligations. Therefore, Iraq requests the Fund's management to consider the possibilities for legally accommodating such a situation, whereby countries facing economic sanctions—on the basis of international legitimacy or other pretexts—would be allowed to exercise their rights and meet their obligations in accordance with the agreements signed with the international institutions concerned.

I stand before you today, asking the IMF and the World Bank, in the spirit of their Articles of Agreement, to call for an end to the economic sanctions against Iraq and the release of its assets in international banks. I likewise call on the distinguished governors, ministers of finance, and central bank governors to spare no effort in urging their governments to help end the suffering of the Iraqi people, restore balance to our relations with the international community, and prevent the domination and coercion of Iraqi society carried out by certain countries today, with no guarantee that such domination will not be extended to other countries tomorrow. I call for a joint effort to end economic sanctions and airspace restrictions, which are unsupported by any Security Council resolution or international endorsement.

Thank you very much.

Dr. Isam Rashid Huwaish
Governor of the Central Bank of Iraq
Governor of the International Bank of Iraq