

WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

MULTILATERAL INVESTMENT GUARANTEE AGENCY

INTERNATIONAL MONETARY FUND

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Statement by the Hon. **MOHAMED A. BAIT ELMAL**,
Governor of the Bank for **THE SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA**,
at the Joint Annual Discussion

**Statement by the Hon. Mohamed A. Bait Elmal,
Governor of the Bank for the Socialist People's Libyan Arab Jamahiriya,
at the Joint Annual Discussion**

Mr. Chairman,
Honorable Governors and Alternate Governors,
Ladies and Gentlemen,

It is a great pleasure to me, Mr. Chairman, to congratulate you, personally and on behalf of the delegation of the Great Libyan Arab Jamahiriya, for being chosen to chair the meeting of the Boards of Governors of the International Bank for Reconstruction and Development and the International Monetary Fund in its current session. We wish you all the success in conducting these meetings and realizing results that will reflect the hopes that the peoples of the world pin on both of our institutions.

I also would like to express gratitude and appreciation to Mr. Wolfensohn, President of the World Bank Group, for his efforts to push forward economic and social development in developing countries and for his skillful management of crises. I also would like to express gratitude and appreciation to Mr. Camdessus, Managing Director of the International Monetary Fund.

Mr. Chairman,

Despite the recent modest global economic growth, economic and financial crises still face us and their economic and social impacts still wreak havoc among numerous economies worldwide, albeit on different scales.

The lesson learnt from the financial crisis experienced by some countries of the world is the need for creating a financial and banking system that operates under an effective and transparent oversight framework coupled with a framework of moral responsibility.

We believe that developing countries do not need capital that is intent on realizing quick profits, usually at the expense and for the detriment of the financial and economic stability of the countries involved. Developing countries need capital which is ready to contribute, along with national investments, to increased production and development of national productive forces. Consequently, we believe that there is need for developing and organizing means and instruments for the movement of capital among the various countries of the world.

Mr. Chairman,

The challenges facing many countries worldwide, as we approach the third millennium, are reflected by escalating poverty, the spread of disease, mounting

indebtedness, the ever-growing gap between developed and developing countries, as well as increased conflicts, civil war and globalization. Such challenges make it incumbent on us to study and discuss such phenomena and their economic and social impacts on the world community at large and developing countries in particular. We need to find appropriate solutions and to mobilize adequate financial resources and proper technical assistance with a view to achieving development in such countries.

Although IBRD formulated, in recent years, programs aimed at eradicating poverty in developing countries, such programs have not been put under actual implementation so far. This will require that IBRD take practical and urgent actions to combat such a phenomenon in the context of increasing the effectiveness of its efforts in this respect, thereby strengthening the world community's confidence in such efforts.

Mr. Chairman,

The concepts of globalization, partnership, cooperation and liberal international trade - collective, bilateral and multilateral - have led to extensive controversy between industrialized and developing countries. Moreover, the promotion of globalization as the freedom of movement of goods, services, labor, capital and information will lead to monopolization by a few countries and corporations of international trade in goods and services. It will also help giant international corporations to control global economy and to weaken the economies of developing nations in the absence of regulatory arrangements and controls. Unless such arrangements and controls materialize, developing countries will pay an exorbitant price due to the lack of ability to compete with developed nations. Developing countries will then be transformed into consumer markets for the products of advanced countries. From this forum, we stress the fact that the IMF and the World Bank operate, in their capacity as international institutions, in the framework of the respective Articles establishing each of them, to provide economic stability and support development and progress opportunities in the various countries of the world. Consequently, their approach must be characterized by absolute professional objectivity removed from any political, racial, religious or any other influences.

Mr. Chairman,

Experience has shown that the methods of using economic might, as exercised by some countries, in a coercive and arbitrary manner to achieve political objectives, have failed. Besides being devoid of any moral justification, such methods are not in agreement with the requirements of economic freedom in the world. They have proved to be, in principle, detrimental to the interests of all the parties involved.

Mr. Chairman,

Finally, it is true that the economies of many countries - particularly developing countries - experienced crises in the decade. But my country, as you all know, depends entirely on a single and non-renewable source of income (i.e. oil) whose prices fluctuate sharply from time to time. Yet, we have paid increased attention for a long time to

diversification of our country's income and the identification of alternative non-oil sources of income. In this respect, my country invested its oil revenues in implementing infrastructure projects, establishing numerous agricultural and industrial projects, the provision of public services, particularly in the education and health care sectors, as well as the creation of new job opportunities for residents.

Despite the major challenges which my country had to face over the recent years, we succeeded in maintaining an appropriate standard of living for our citizens and in achieving a remarkable rate of growth in gross domestic product in the various non-oil economic sectors of activity. The achievements which my country accomplished in this respect would not have been realized had it not been for the desire to establish strong economic ties with various countries in the world, based on the principle of mutual and reciprocal respect and achievement of benefits and interests in common among countries, in addition to continued cooperation with the various regional and international economic and financial institutions.

Mr. Chairman,

In conclusion, allow me to express gratitude and appreciation to you again for providing this opportunity for me to address this honorable meeting. I wish you all success and good results.

Peace be with you.