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Concluding Remarks by **RODRIGO DE RATO Y FIGAREDO**,
Chairman of the Executive Board and
Managing Director of the International Monetary Fund,
at the Closing Joint Session



**Closing Remarks by Rodrigo de Rato
Chairman of the Executive Board and
Managing Director of the International Monetary Fund
At the Annual Meetings of the Board of Governors of the Fund
Washington, D.C., October 3, 2004**

1. Mr. Chairman, Governors, Honored Guests: We have come to the end of very productive discussions. I want to thank the staff for their excellent work. I am grateful to our hosts, the District of Columbia, the citizens of the city, and the U.S. Government, for their hospitality and the security arrangements they have provided. Minister Lim, thank you for your able chairmanship of today's meeting.
2. We all know that the global economy is having a good year. The prospects for next year remain bright, though oil prices have added significantly to downside risks. Several governors noted that the high oil prices have strained their balance of payments positions. The Fund is ready to help countries cope with this adversity. We will continue to monitor carefully developments in oil markets and their effects on our members. IMF surveillance can and must also play a critical role in encouraging members to adopt policies that will deliver sustained growth.
3. We have agreed that, with the recovery well-established in most countries, monetary and fiscal policies must return to a neutral stance. Moreover, countries must take advantage of the recovery to tackle challenges to sustained growth.
4. There will be much greater economic security in the years ahead if members take policy actions *now* to confront a number of challenges. One is the need to reduce global current account imbalances which requires policy actions from many countries. As Gordon Brown said, "All share responsibility, and stand to benefit, in redressing these imbalances."
5. Another challenge, as governors noted, is that of fiscal consolidation. In many emerging markets and developing countries, public debt needs to be brought back to safer levels. And many countries, industrialized and developing, have to address the fiscal pressures from the aging of their populations.

6. During its regular consultations with countries, and through its regional and multilateral surveillance, the Fund will continue to push for implementation of policies that would help countries surmount these challenges. I am pleased that governors have embraced transparency as a way of increasing the effectiveness of Fund surveillance. As Mr. Liikanen, the Governor for Finland, stated, IMF surveillance is a means to achieving “shared economic security.”

7. We are united in our desire to achieve the Millenium Development Goals and in our assessment that more aid is needed to achieve them. Many innovative schemes to increase aid, including deeper debt relief, have been floated at these meetings. These discussions are much needed and welcome. We should work towards proposals that are not only technically sound, but also command a political consensus. At the same time, developed countries should increase their aid through more traditional sources, that is by increasing their official development assistance to meet the commitments made in Monterrey.

8. We are agreed that a commitment to a multilateral trading system is central to sustained growth. Again, an increased political commitment is essential to bring the Doha Round to a successful close.

9. Increased aid and trade will undoubtedly help low-income countries. But what will help more than anything else are countries’ own efforts. I take great encouragement from governors’ statements that national ownership remains the foundation of successful poverty reduction strategies. And it is heartening to note from governors’ statements the strong performance of many countries—Bulgaria, Croatia, Turkey, Vietnam, to name just a few. I have no doubt that this strong performance—and the general resilience of the global economy—comes from progress over the past decade in adopting responsible macroeconomic frameworks and improving institutions.

10. Many governors were disappointed by the lack of progress in deciding how to change quotas and voting rights of member countries to reflect the evolution of the world economy. I believe that this is an important issue and the membership should address it by continuing to seek a political consensus.

11. Governors: I am grateful for the good wishes and expression of support that all of you have extended to me. I look forward to reviewing progress on the matters we have discussed today at our meeting next year. Thank you.