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Statement by the Hon. **AHMAD HUSNI MOHAMAD HANADZLAH**,
Governor of the Fund and the Bank for **MALAYSIA**

THE HONOURABLE AHMAD HUSNI MOHAMAD HANADZLAH
Governor of the World Bank
and
the International Monetary Fund

I am Husni Hanadzlah, and I am most honoured to speak to you at this Annual Fall Meetings of the World Bank and the International Monetary Fund 2010.

Mr. Chairman, fellow Governors, ladies and gentlemen,

1. We gather here in Washington D.C. at a time of many uncertainties. While we have firmly and swiftly recovered from the economic crisis of 2008-2009, we now know that the global economy would not return to its pre-crisis levels in the foreseeable future.
2. Indeed, when all the momentous changes in the global economic environment that we are now going through have run its course, a new world will emerge.
3. The recent global economic crisis have emphasised the necessity for a greater regulatory regime across the international markets.
4. It is our moral responsibility to recognise that there must be economic and social utility in the transactions effected across the global financial system.
5. There must be clear and distinct linkages between the financial markets and the real economy. One must not be divorced from the other. This must be the primary principle in the design of our new financial architecture.
6. In the wake of the last financial and economic crisis, it is easy for us to forget that our modern international financial system

has, in fact, overwhelmingly served us well. The world's prosperity has increased beyond the imagination of anyone who was born even fifty years ago.

7. This achievement was possible because every member of the international financial community played their roles wisely.
8. All of us here share a single collective mandate – to increase the level of prosperity for all. We can fulfill this mandate by engaging in mutually-reinforcing and inter-dependent relationships, without compromising our integrity and independence.
9. There will be many challenges ahead. To the international financial institutions, I say – on your shoulders lay a heavy and profound responsibility. It is to you that we look to, to provide us the assurance that all is well.
10. As we enter into the new world, I am confident that each and every one of us, members of the international financial community:-
 - the sovereign nations,
 - the international financial institutions,
 - members of the financial private sector and
 - the credit rating agencies,

we can demonstrate that there is a better way forward. This we must do, for our new world deserves nothing less.

11. As a progressive and moderate Muslim nation, Malaysia is proud to promote Islamic finance. The *syariah* principles that bind Islamic finance transactions embody the values of all mankind, consistent with all the world's major religions.
12. Consistent with *syariah* requirements prohibiting environmental harm, we invite the World Bank Group to consider the merits of

Islamic finance in its funding of the developing world's green projects.

13. I am assured by the efforts of the World Bank Group thus far – to ensure its relevancy and legitimacy in this new century.

14. In pursuant, I urge my fellow Governors to deliver on the proposed reform initiatives. We must conclude the IMF's 2008 quota package and move forward with the 14th Quota review.

15. While we put in place measures to ensure the safety of our global financial system, we must, nonetheless, be prepared for any eventual possibilities.

16. In this regard, the request for capital increase must be supported. The increase will provide us the capacity to face our future challenges quickly and confidently.

Mr. Chairman, fellow Governors, ladies and gentlemen,

17. The momentum for change that was catalysed in the wake of the last economic crisis, needs to be maintained. We need to rebuild what we have lost, and gain all things new.

18. In undertaking this task, I am confident that the collective wisdom, that is inherent in all of us, will prevail.

Thank you.