

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

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Concluding Remarks by the Chairman, **MOHAMMED K. KHIRBASH**,
Governor of the Bank and the Fund for the **UNITED ARAB EMIRATES**,
at the Closing Joint Session

**CONCLUDING REMARKS BY THE CHAIRMAN
THE HON. MOHAMMED K. KHIRBASH**

As Chairman of the Boards of Governors, it is now my duty to bring these deliberations to a close. It has been a great privilege to have served as the Chairman of the Boards of Governors of the Bank and the Fund. I would like to take this opportunity to thank everyone for the support and kindness extended to me during my tenure. On behalf of all of us, I would also like to thank Premier Li Peng for his words of encouragement and the government of China and the people of Hong Kong for their warm and generous hospitality.

As these 1997 Annual Meetings draw to a close, I would like to review briefly some of the major themes that have emerged from our discussions and their implications for our two partner institutions. We have all recognised, I think, that the increasing globalization of the world economy has brought great benefits in terms of economic growth and poverty reduction. But we have also recognised what Mr Wolfensohn said at the beginning of our discussions, that too many people in too many countries have yet to enjoy the fruits of success. It is also clear that the increasing interdependence of national economies and financial markets requires what Mr Camdessus has described as an even more far reaching sense of national responsibility and international solidarity. In this context the need for strong partnerships both between our two Bretton Woods institutions and more broadly with national governments, other multilateral and bilateral institutions, nongovernmental organizations and the private sector has never been greater.

In my opening remarks I highlighted three areas where a strengthened common effort between the Bank and the Fund is of great importance - financial sector cooperation, governance and the initiative for heavily indebted poor countries. During our deliberations, Governors have noted with satisfaction the strengthened ability of the IMF to help countries meet the challenges of a global financial market and the increased collaboration between the Fund and the Bank in strengthening the financial sectors of member countries. You have agreed that the Bretton Woods institutions should pay more attention to issues of governance and corruption and you have welcomed the strategies and

guidelines recently issued by both institutions. Finally Governors have commended the Bank and the Fund for the progress made on the HIPC initiative and have emphasized the importance of an equitable sharing of the financial costs of the initiative among all creditors.

Turning specifically to the Bank, Governors have indicated their strong support for the objectives of the Strategic Compact . You have applauded Mr Wolfensohn for this initiative and have noted that the first progress report confirms that real change is taking place. You now look forward to seeing the tangible results of the Compact in terms of improved results on the ground. Governors have welcomed the Bank Group's increased focus on private sector development and the development of an expanded range of guarantee and other lending and nonlending services in support of private sector development. You have also welcomed the action program for infrastructure development presented to the Development Committee and the increased focus of the Bank on capacity building, particularly in Africa. Governors have indicated their satisfaction with the consensus that has been reached on addressing MIGA's resource constraints and have urged all relevant parties to come to closure on the details of the capital increase before the next Development Committee meeting in April 1998.

In respect of the Fund, Governors have adopted a resolution on an amendment of the Articles. The amendment will provide a special one-time allocation of SDRs. All members will then have an equitable share of SDRs, including those countries that have never received allocations of SDRs since they joined the Fund. You have welcomed the agreement that has been reached by the Fund's Executive Board on the Eleventh General Review of Quotas and look forward to speedy completion. Governors have also agreed that the Fund should play a central role in promoting the orderly liberalization of capital movements and you have indicated that the Fund should give high priority to the work on an amendment of the Articles. In this context you have emphasized the importance of adequately designed approval policies and transitional arrangements.

Before adjourning, I would like to express my appreciation to Mr Wolfensohn and Mr Camdessus, to the staff of the Joint Secretariat and to their counterparts in the Hong Kong Monetary Authority for their

hard work and dedication which have helped make our gathering here in Hong Kong such a success. I would also like to extend my best wishes to the Governor for Austria, who succeeds me as Chairman of the Boards of Governors.

I would conclude by once again thanking everyone and wishing all a safe journey home. The 1997 Annual Meetings of the World Bank Group and the International Monetary Fund are hereby adjourned.