



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

NINETY-NINTH MEETING
WASHINGTON, D.C. – APRIL 13, 2019

DC/S/2019-0021
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Statement by

H.E. Kun Liu
Minister of Finance

on behalf of

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At present, the momentum of global economic growth is weakening and there is pronounced downside risk. At the same time, the new-tech revolution and industrial transformation are making profound progress, the system of global governance is being reshaped drastically and the international landscape is changing rapidly. At this moment, the deep-rooted problems in the global development have become highly visible with protectionism and unilateralism gaining momentum, the multilateral trading system under attack and the overall environment for world economic development facing many risks and uncertainties. Peace and development are still the main themes of our time and also serve as a test for us. As the most important development institution in the world, the World Bank Group (WBG) should live up to its historical responsibility, face the challenges of our time and demonstrate leadership in this new era with unity, cooperation, wisdom and courage.

China congratulates Mr. Malpass on his being selected as the President of WBG and expresses its appreciation to Ms. Kristalina Georgieva for her contribution during the transition as the Interim President and CEO. We also express our deep appreciation to Dr. Jim Yong Kim for his leadership of WBG and his significant contribution during his tenure. We acknowledge and welcome the achievements of WBG in the past year. China hopes that under the leadership of the new president, WBG will show policy and business continuity, maintain stability in its senior management and staff, firmly adhere to the policy commitments reflected in the Forward Look: A Vision for the World Bank Group in 2030 and the Capital Package for IBRD and IFC, further play a leading role in global poverty reduction and development and continue the progress towards the twin goals of WBG to “end extreme poverty” and “promote shared prosperity”.

I would like to use this opportunity to highlight a few points on next steps in the reform and development of WBG.

The first is to firmly uphold multilateralism and adhere to the development orientation and respond to the new global development needs in the 21st century.

At present, one of the major risks facing international development is skepticism about multilateralism and departure from the spirit of cooperation. As the most influential multilateral development institution in the world, WBG should proceed from the perspective of upholding multilateralism, push all the parties to jointly support the rules-based multilateral trading system and promote liberalization and facilitation of trade and investment and help its members realize a new type of globalization which is open, inclusive, universal, balanced and win-win. At the same time, China hopes that WBG will deepen the understanding of the ways of global development in the 21st century, have the insight that development in this new century is open and systemic in nature, conduct in-depth studies on problems which make global development insufficient, imbalanced and unequal and provide solutions to address the pronounced development issues in the 21st century, including the inadequacy of funding for long-term development, short supply of infrastructure, broad participation by the labor force in the development process in the context of new-tech

revolution and unequal primary distribution of income. In addition to different development issues facing countries at different development stages, WBG should also pay attention to cross-cutting characteristics of development so as to help realize constructive cooperation among countries at different development stages.

The second is to actively promote the application of innovative technologies to facilitate the adoption of new growth engines and help developing countries realize leapfrog development.

China is pleased to see that WBG has taken the initiative to mainstream disruptive and transformative technologies into its operations and is actively pushing forward with its efforts on the five corporate priorities. We encourage WBG to give due attention to the theme of “Jobs and Economic Transformation” in the context of new technologies. WBG should make full use of its own resources and unique advantages as well as various policy tools in helping its members enrich the content of structural reforms, explore the people-centered development model in the context of new technologies, enable workers to adopt and use modern technologies, improve labor productivity and increase return on labor and development opportunities. At the same time, WBG should innovate its business model, facilitate the transfer of innovative technologies and business models to developing countries and help them, especially low-income countries obtain appropriate technological and digital services which are wide in use and affordable in order to speed up economic transformation and realize leapfrog development. China looks forward to seeing WBG making use of such channels as the World Development Report 2019 and the Human Capital Project to continue the in-depth analysis of the impact of disruptive and transformative technologies on global value chains, the models for global industrial transformation, employment and other areas, so as to provide policy recommendations for the future direction of development and industrial layout of its members, and at the same time help them effectively guard against the risks and negative impacts brought about by disruptive and transformative technologies in such areas as taxation while paying due attention to the balance between promoting innovation and strengthening regulation.

The third is to maintain policy continuity, implement WBG’s policy commitments in a balanced way and contribute to the realization of sustainable and shared development all over the world.

China acknowledges and welcomes the positive progress made by WBG in implementing the Forward Look: A Vision for the World Bank Group in 2030 and the Capital Package and supports WBG to continue releasing semiannual reports on the overall progress in implementing the Forward Look. China appreciates the principle of Serving All Clients adopted by WBG and hopes it will leverage its comparative advantages to support countries at different development stages to advance to a higher stage. WBG should maintain flexibility in the implementation of the “graduation” policy based on agreement with the borrowing country, and improve innovativeness and demonstration effects of its lending and knowledge cooperation with middle-income countries. WBG should advance its momentum on shareholding review in accordance with Istanbul and Lima Principles, and improve the legitimacy and effectiveness of its own governance structure.

China welcomes the positive progress achieved by the International Finance Corporation (IFC) in implementing IFC 3.0¹. We call on all the parties to take vigorous steps to implement the agreed IFC capital increase and make effective efforts to have the IFC capital increase resolutions adopted on an early basis. We support IFC in continuously increasing the selectivity of its investment and hope that IFC will establish a unified, scientific, transparent, standardized and quantifiable framework for the quantitative measurement of additionality. China hopes that the Multilateral Investment Guarantee Agency (MIGA) will provide guarantee support to further promote cross-border financing cooperation as well as trilateral and multilateral cooperation.

¹ IFC 3.0 is a strategy for IFC to pursue market-creation in developing countries and play a stronger role in promoting the development of private sector.

China has always been and will continue to be a force of world peace, development and the international order. As the largest developing country, we will continue to run our own business well, and on that basis, we are ready to work with the rest of the international community to champion for the development of a community with a shared future for mankind. This year marks the 70th anniversary of the founding of the People's Republic of China. We will uphold the "people-first" development concept and put the new development model which is based on innovation, harmony, green economy, openness and shared prosperity into practice. Over past 40 years, more than 700 million people in China have come out of poverty and we are on track to completely eradicate poverty as defined according to the existing criteria by 2020. China's contribution to world growth has stayed around 30% in recent years. At the same time, the Chinese economy is switching from high-speed growth to high-quality development with continuing optimization and upgrading of the economic structure, steady and visible expansion of new growth engines and growth increasingly driven by consumption. As such, the overall momentum of sustained and sound growth of the Chinese economy will continue. This year, China will further liberalize market access significantly, strengthen the protection of intellectual property, strictly implement the new Foreign Investment Law, reduce taxes and fees at an even larger scale and build an even more attractive investment and business environment. These measures are both choices made by China to benefit its own development and part of our active efforts to contribute to global growth.

China and WBG are important development partners to each another. As a developing country, China is still faced with the problem of insufficient and imbalanced development as well as numerous difficulties and challenges in its economic and social development. We hope that lending and knowledge cooperation provided by WBG will continue to serve as vehicles for China to learn from international experience in such areas as addressing climate change, protecting ecological environment, optimizing business environment and developing human capital, so as to help realize innovation-driven and high-quality development. At the same time, China is willing to continue its support for global poverty reduction and development through the Belt and Road Initiative, regional cooperation, South-South Cooperation and other platforms in order to make active contribution to the realization of the Twin Goals of WBG and 2030 sustainable development agenda of the United Nations.