Statement by  
H.E. Lim Guan Eng  
Minister of Finance  
Malaysia  

Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
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100th Meeting of the Development Committee

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Firstly, we would like to thank Ms. Kristalina Georgieva for her effort in driving the World Bank’s agenda and express our congratulations on her appointment as the new Managing Director of the IMF.

Global economic and financial conditions remain challenging. Growth momentum has slowed in most major countries of both the developed and developing economies amid rising trade protectionism and financial market volatilities as well as rapid technological advancements.

Against this backdrop, our constituency reaffirms our support to the World Bank Group (WBG)’s continued effort to support member countries, particularly with the multilateral framework for trade and investment through global value chains (GVCs). We also welcome the WBG’s engagement with member countries to leverage on technological advancements to encourage better outcomes from the Bank’s Human Capital Agenda.

In general, the South East Asia Voting Group (SEAVG) constituency looks to benefit better from the digital revolution while undertaking crucial structural economic reforms for sustainable and inclusive economic development.

Role of GVCs in Economic Development

International trade expanded rapidly after the 1990s from the rise of GVCs. Countries that participated through the GVCs saw increased productivity and income growth as well as more job creation. Many developing countries have also benefited from GVCs owing to policies that support trade openness as well as facilitating measures to attract higher foreign direct investments. However, we need to move further up the value chains to enhance growth. In this regard, the Bank should look to facilitate its members in terms of improving regional digital integration, strengthening digital infrastructure linkages, streamlining and better coordinating policy reforms to enhance trade and investment in the digital economy space.

The increase in global trade protectionism sentiments particularly in developed economies due to trade conflict poses a threat to the developing and least developed countries. Countries should have the freedom to maintain their domestic policies whilst supporting GVC participation, without compromising fair competition and sustainability.

Therefore, we welcome WBG’s research on strengthening macroeconomic resilience against global economic shocks in the GVCs; and provide timely country-specific policy advice in coordination with the International Monetary Fund.
World Bank Group’s Human Capital Project Update

We welcome the update on the Human Capital Project and are very encouraged with the progress made in the WBG’s work to improve the Human Capital Index (HCI) to produce actionable analysis to guide Governments’ investment in human capital and improve the quality of service delivery.

The WBG can play a transformative role to accelerate human capital investment and equal access to education in this new digital age, particularly among the middle and low income member countries. We urge the Bank to provide more funding and technical support for capacity building to maximise effectiveness and efficiency of finite education resources.

World Bank Group’s Jobs and Economic Transformation Agenda

On the Jobs and Economic Transformation (JET) agenda, we welcome the approach by WBG to bring together analytics, policy advice and tools in country programmes aimed at identifying global job market challenges, defining economic transformation and highlighting the speed of economic transformation in addressing these challenges.

The WBG’s country diagnostics must systematically address policy coordination issues and provide a clear understanding of the linkages between diverse economic sectors both within and across national boundaries. It is crucial for the Bank to provide stronger technical support to improve digital interoperability across systems; and to develop a database for historical policy implementation across countries.

Review of the International Development Association (IDA)’s Voting Rights

We welcome the timely proposed review of the IDA voting rights framework in addressing member countries’ concerns such as the timely need for a review of the framework. We also support the proposed guiding principles, scope and roadmap of the Review and urge the Board of Directors and Management to provide regular updates to member countries.

Conclusion

We would like to express our appreciation to the WBG Board of Executive Directors and Management for their concerted efforts on these priority areas and look forward to a timely progress for the benefit of all members.