Statement by

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on behalf of

People’s Republic of China
Developing countries are facing an extremely challenging and complex external environment, compounded by many global challenges including lingering COVID-19 pandemic, increasingly tightened global financial conditions and spillovers of the Ukraine crisis, with heightened economic and financial vulnerabilities. We should keep focusing on development as our priority and put it high on the global macro policy agenda by a people-centered and innovation-driven approach, foster new growth drivers in the post-COVID era, and earnestly implement the 2030 Agenda for Sustainable Development of the United Nations.

China appreciates the active role played by the World Bank Group (WBG) in supporting developing countries’ response to the COVID-19 pandemic and promoting recovery and development. We urge the WBG to further mobilize financial resources, give full play to its role as a knowledge bank, exercise its global convening power, augment its input to the undertaking of poverty alleviation and development, support developing countries to seize new development opportunities such as digitalization, and better contribute to robust, green and balanced global development, in a manner that is aligned with its development mandate and oriented by the demands of clients.

I. Vigorously boosting the development of digital infrastructure and supporting digital transformation

Digital technologies are being fully integrated into all economic and social aspects of mankind, generating extensive and profound impacts. However, developing countries are hampered by underdeveloped digital infrastructure, unfavorable institutional environment and widening digital divide. They are faced with urgent task of digital transformation. We expect the WBG to strengthen country diagnostic, further integrate digitalization into its Country Partnership Framework and pipelines, and provide targeted support to all client countries including low-income and middle-income countries to accelerate the development of digital economy.

The WBG should aim at improving accessibility and affordability of digital services, give priority to step up investment in digital infrastructure and bridge digital divide, scale up financial support, and actively carry out the “upstream” work and advisory services to support client countries in improving their policy environment for digitalization, and promote the development of digital platforms tailored to national circumstances. The private sector plays a key role in accelerating digital transformation. We encourage the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) to play a catalytic role in effectively mobilizing private investment and adopt the One WBG approach to improving synergies across the WBG institutions.

We encourage the WBG to strengthen collaboration with development partners on digital development. On one hand, the WBG should enhance policy coordination and cooperation with other multilateral mechanisms and institutions, such as the United Nations, the G20 and the WTO, draw on universally
recognized technical standards developed by specialized international organizations such as the International Telecommunication Union, enhance interoperability across digital platforms and promote digital connectivity. On the other hand, the WBG should take South-South cooperation as a priority on its agenda, deeply engage in tripartite and multi-party cooperation in various forms, and promote the replication and dissemination of digital technologies and experiences suitable for developing countries.

Cybersecurity and data security is an issue of common concern for all parties. The WBG’s support for client countries in cybersecurity and data security should be conducted in an open, transparent, professional and non-discriminatory manner under the principle of respecting the cyber and digital sovereignty of client countries, while giving equitable procurement treatment to digital enterprises from all countries, including those from developing ones.

II. Striking a proper balance between debt and financing and enhancing debt sustainability on the basis of development

China pays close attention to the issue of debt vulnerabilities and takes note of the continuous efforts of the WBG and the International Monetary Fund (IMF) to improve debt sustainability. We emphasize that the fundamental way to solve the debt problem of developing countries lies in development. The WBG should take a comprehensive and holistic approach to the following actions. First, the WBG should help developing countries strengthen their capacity of access to long-term financing, explore innovative ways of financing and expand investment in the productive sectors, while ramping up net financial inflow to accelerate economic recovery and growth in developing countries. Second, the WBG should keep improving its debt analytic tools and enhance capacity building of debtor countries in public finance management, public investment efficiency and domestic resource mobilization. Third, the WBG’s efforts for debt transparency should be premised on respecting the national laws and business confidentiality.

China is the largest contributor to the success of the Debt Service Suspension Initiative (DSSI). We look forward to comparable contributions from other countries and multilateral institutions such as the WBG. China calls on all parties to follow the G20 consensus, take a case-by-case approach, respect independent decisions of debtors, and make steady progress in a pragmatic and feasible manner. We call on all creditors including the WBG to participate in debt treatment under the principle of "joint actions and fair burden-sharing". Meanwhile, we urge the WBG, a major multilateral creditor, to substantively participate in debt relief and suspension, while maintaining its own financial soundness and low financing costs.

III. Striving to address the challenge of compounding crises and promoting stable and balanced recovery of the global economy

Against the backdrop of the compounding crises, China supports the WBG to provide assistance to the affected countries in line with its development mandate. The WBG should adhere to the principle of serving all clients and the demand-driven approach, and provide targeted financial support, policy advisory services and technical assistance to low-income and middle-income countries, Fragile and Conflict-affected countries and small states in an equitable manner, so as to help all client countries deal with compounding crises and achieve long-term sustainable development.

There is an urgent need for the WBG to enhance its counter-cyclical role at present. Yet insufficiency of available resources becomes a bottleneck for actions. In the short term, the WBG should mobilize development finance through multiple channels. In the medium-to-long term, the WBG's resources will go beyond the projections of the IBRD and IFC Capital Package in 2018, and therefore are far from being sufficient to meet the increasing policy needs. In this vein, the IBRD should review its capital adequacy in a timely manner, and ensure its adequate financial capacity through necessary means including capital increase.

The Ukraine crisis has generated significant negative spillovers to the global economy. China adopts a clear and consistent position on the Ukraine issue, which evolves with complex historical merits. Sanction is not
an effective means to address problems. On the contrary, it impedes global economic recovery and development. We expect the WBG to uphold the principle of political neutrality and support member countries in line with its Articles of Agreement, policies and procedures to minimize the negative impacts of the crisis on global poverty reduction and development, and realize its twin goals of ending extreme poverty and promoting shared prosperity.

IV. On the Chinese economy and international cooperation on development

Although the Chinese economy is facing heightened risks and challenges, the sound economic fundamentals remain unchanged. There are many favorable factors for the steady development. The Chinese government will adhere to the general principle of seeking progress while maintaining stability, apply the new development philosophy in full, in the right way, and in all fields of endeavor, move faster to create a new development pattern, and strive to reach the annual GDP growth target of around 5.5% this year.

While focusing on its own development, China has also been taking an active part in promoting global development and made important contributions thereto. In September 2021, Chinese President Xi Jinping proposed the Global Development Initiative (GDI), calling on the international community to pay attention to the issue of development, and accelerate the implementation of the 2030 Agenda for Sustainable Development. The GDI represents another clarion call to mobilize global development cooperation, which is of great significance for developing countries to achieve the Sustainable Development Goals as scheduled under the current circumstances. China welcomes the WBG to participate in the GDI, and is willing to deepen all-round cooperation with the WBG in the areas of finance, knowledge and international development, to better respond to global challenges and jointly support multilateralism and global development with concrete actions.