

World Bank Group President David Malpass

Opening Remarks at the 2019 Annual Meetings

Opening Press Conference

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As Prepared for Delivery

Good morning. Welcome to the Annual Meetings.

We have a number of urgent priorities to discuss with our shareholders this week. Global growth is slowing. Investment is sluggish, manufacturing activity is soft, and trade is weakening. The challenges of climate change and fragility are making poor countries more vulnerable. This backdrop makes our goals of reducing extreme poverty and boosting shared prosperity even harder. About 700 million people still live in extreme poverty. That's about one in 12 people on the planet.

Here's the good news: broad-based growth is still possible for countries. With the right mix of policies and structural reforms, countries can unleash growth that's broadly shared across all segments of society. This is especially true in emerging markets and developing countries, where well-designed reforms can deliver meaningful gains. In short, we seek material impact in terms of broad-based growth, transparency, the rule of law, and private-sector expansion.

We need to be careful how we calibrate our response to the global slowdown. Many countries have already used up their fiscal and monetary-policy space, so structural reforms are essential. Over \$15 trillion in bonds have zero or negative yields, which

amounts to frozen capital. Debt has climbed to troubling levels. We need fresh thinking to reignite growth.

At the World Bank Group, we're staying focused on our mission. We're helping countries build strong programs tailored to the unique circumstances of their economies. We're encouraging innovations that attract private-sector investment, such as digital money. We're promoting the rule of law and transparency in debt management and public finances. We're investing to help countries gain access to electricity and clean water, ensure the full inclusion of girls and women, address climate change and protect the environment, improve health and nutrition, and bolster infrastructure.

Later today we'll highlight the importance of education. We're launching a new approach to measure learning. It looks at the proportion of children aged 10 who can read and understand a basic story. We want to reduce learning poverty as much as possible.

As we do every three years, we're discussing with our member countries how to replenish the financial resources of IDA, our fund for the poorest countries. The proposed replenishment directs more funding toward people in fragile and conflict-affected situations, and reaffirms our commitment to projects that benefit the climate and promote gender inclusion. I look forward to the continued support of our donor countries for IDA, which plays a leading role in reducing extreme poverty.

In conclusion, this week I'll have a simple message for countries: The choices you make now matter. Well-designed structural reforms are needed to unlock growth and build the foundations for future prosperity. Problems include oligopolies, excessive public-sector employment and pension promises, and subsidies for goods, services and financing. I'm aware of the strong resistance to many reforms. But they're crucial for enabling broad-based, sustainable growth.

Thank you, and I'm happy to take your questions.