Thank you very much to our two co-chairs. Hello everyone.

I’m optimistic about the World Bank’s mission of reducing poverty and boosting shared prosperity over the long run, but a number of challenges leave a weak growth environment that isn’t supportive of development.

These include Brexit, negative interest rates, trade frictions, and rising poverty rates in many developing countries. There’s a range of development issues to tackle, including barriers facing the private sector, full inclusion of women, and severe problems in health, education, the environment and infrastructure, to name several.

The global slowdown is apparent. In June, our Global Economic Prospects report lowered our estimate for 2019 real global growth to 2.6%. Given recent developments, I expect actual growth to fall short of that.

The slowdown is broad based, including slowing growth in China; substantial downturns in Argentina, India, and Mexico; and disappointments in much of the developing world. Some parts of Europe are in recession or close to falling into recession. Germany and the United Kingdom have experienced quarters of negative growth, and Italy and Sweden have seen several quarters of stagnation.
The combination of slow global growth and sluggish investment in developing countries creates the likelihood that poverty will rise in several countries and many of our World Bank goals for poverty alleviation will not be met. Compounding the problem, the distributional impact of slower global growth and frozen capital adds to inequality, undercutting our mission of shared prosperity and rising median incomes.

I’m confident that structural reforms are available that would work in the right direction, but I’m also cognizant of the strong resistance many of the key reforms face. Problems include oligopolies; overly large government employment and pension problems; and subsidies for goods, services and financing, which are hard for countries to repair.

Lack of debt transparency and unsustainable debt loads are problems in a number of countries, especially in Africa. The lack of clean water, dependable electricity and access to roads, basic health care and education still plagues many of our clients.

What can developing countries do? Well-designed structural reforms are urgently needed to unlock barriers to growth and build the foundations for future prosperity.

At the World Bank, we’re focused on helping our client countries implement good policies, so they can deliver good outcomes for their people. Many countries need a bolder agenda for boosting private sector growth to generate more and better jobs. This entails major changes in the business climate so the private sector can compete with the state, generating profit and innovation. We need more investments in human capital and physical infrastructure.

We’re working hard in fragile states, such as the Sahel and the Horn of Africa, to help countries build stronger foundations so that young people are able to stay rather than seeking to migrate.

We’re looking forward to a strong and robust IDA19 replenishment that will bolster our ability to help the poorest countries of the world.
Strong, enlightened leadership and good policies can raise living standards and reduce inequality. But the problem of global poverty is urgent, so we need to act quickly. We'll continue working with all of you on these challenges.

Thank you very much chairs.