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Statement by the Hon. **DONGWEI WANG**,
Alternate Governor of the IBRD for **THE PEOPLE'S REPUBLIC OF CHINA**

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I. Global Economic Outlook

The global economy shows some resilience this year. However, due to the continued tightening of global liquidity, insufficient aggregate demand and the adjustment of the industrial chains, the growth of world trade has slowed down, foreign direct investment has continued to decline and the momentum of global economic growth has weakened. The continued tightening of monetary policies in major advanced economies has led to a sharp increase in the cost of development financing, exacerbating the debt vulnerability of developing countries. At the same time, the intertwined multiple challenges of climate change, food and energy insecurity are adding headwinds to the achievement of the UN Sustainable Development Goals.

We call on major developed countries to pursue responsible macroeconomic policies, taking into account the spillover effects on the global economy and reducing the negative impact of external shocks on developing countries. We call on all parties to work together to build an open global economy, to uphold the multilateral trading system with the WTO at its core, to oppose the politicization and overstretch the concept of security in economic and trade cooperation, and to ensure the stability and smooth flow of global supply and industrial chains.

Promoting global economic growth and addressing serious development challenges cannot be achieved without the concerted efforts of the international community. We call on all parties to focus on the 2030 Agenda for Sustainable Development, to place development at the centre of the international agenda, to promote the exchange of development ideas, the alignment of development policies and the sharing of development resources among countries, and to ensure that the fruits of development benefit all countries and all people.

We call for a strengthened global partnership for development. Developed countries should faithfully honour their commitments on development aid, developing countries should deepen South-South cooperation. The international community should increase investment in traditional areas such as poverty eradication and growth, and set new priorities for cooperation on climate change, environmental protection, energy transition and food security, in order to promote stronger, greener and healthier global development and promote the building of a global community of shared future.

II. China's Economic Outlook

Since the beginning of this year, the Chinese government has introduced a series of policy packages to promote a marginal improvement in China's key economic indicators, gradually strengthening domestic growth momentum and the overall economic recovery.

Domestic demand has continued to recover. On the consumption side, total retail sales of consumer goods from January to August increased by 7% year on year. In terms of investment, national fixed-asset investment increased by 3.2 % year on year from January to August. In terms of trade, the volume of imports and exports of general trade increased by 1.7 % year on year from January to August. Employment and price levels are generally positive. In August, the urban unemployment rate fell by 0.1% month-on-month to 5.2%, the CPI turned from a decline to an increase of 0.1%, and the PPI fell by 3%, with the rate of decline slowing for two consecutive months. Structural adjustment progressed steadily, with the growth rate of investment in manufacturing, infrastructure and high-tech industries 2.7%, 3.2% and 8.1% higher than overall investment, respectively. Social expectations improved. The indexes of manufacturing output, new orders, services business activity and business expectations were all in the prosperity zone.

On fiscal policy, since the beginning of this year, the Chinese government has intensified its proactive fiscal policy aimed at promoting high-quality development, optimised the structure of fiscal expenditure, improved social preferential policies and stabilised aggregate social demand. At present, fiscal conditions are generally stable. Fiscal revenue has supported the recovery in growth. In the first eight months of this year, the revenue of

the general government budget was 15.18 trillion yuan, a rise of 10% year on year. The pace of government spending has been appropriately accelerated, and spending in key areas such as people's livelihoods has been well guaranteed. The issuance and use of special bonds were accelerated to promote the expansion of effective investment. From January to August, local governments issued 2.95 trillion yuan of special bonds for project construction.

On monetary policy, the sound monetary policy has been implemented in a well-calculated and faithful manner. By enhancing countercyclical adjustments, we effectively responded to domestic and international risks and challenges, thus consolidating the positive momentum of economic recovery. In terms of the aggregates, we have maintained liquidity, money and credit at reasonable levels, continuously creating a benign monetary and financial environment. In terms of structure, we have provided well-targeted support to key areas, such as inclusive finance, technology and innovation sector and green sector. We have stepped up to provide financial support to private enterprises. By implementing measures such as reducing down payment ratios for homebuyers, we have timely adjusted and optimized the real estate financial policies. In terms of price, we have guided the financing costs down, with the average interest rate on corporate loans at their historic lows. Guidance has been given to financial institutions to reasonably reduce medium- and long-term time deposit rates to facilitate the shift from savings to consumption and investment. The RMB exchange rate has remained generally stable at an adaptive and equilibrium level.

Going forward, the Chinese government will implement macroeconomic policies with precision and vigour, strengthen counter-cyclical adjustment, focus on expanding domestic demand, enhance confidence and prevent risks. We will continue to improve economic performance, strengthen internal driving forces, improve social expectations and defuse hidden risks, so as to achieve effective qualitative improvement and reasonable quantitative growth of the economy. With the overlapping strength of existing and newly deployed policies, China's economy is expected to achieve the annual growth target of about 5% this year.

III. The WBG and the IMF's Work on Reform and Development

China commends the evolution progress made by the World Bank under the leadership of President Ajay Banga, and looks forward to earnestly implementing the relevant consensus and continuously pushing forward the discussions after the Marrakech Annual Meetings. China supports the integration of "a livable planet" into the WBG's vision and mission, strengthen the capacity of WBG through the evolution process, and help developing countries effectively address development challenges. The "Twin Goals"—to end extreme poverty and boost shared prosperity—are the fundamental starting point for the WBG evolution. The WBG should mobilize new and additional resources to support addressing global challenges, while continuing to increase investment in traditional areas of poverty reduction and development.

China supports the WBG in Delivering a "Better Bank". The reform of the operational model must follow the principles of country-ownership and demand-driven, and the WBG should stick to cooperate with client countries under the Country Partnership Framework. China supports the WBG in formulating the principles and framework for the allocation of concessional resources and ensuring that all client countries are eligible. China supports strengthening the One World Bank approach and integrating the resources of different institutions within the WBG to achieve synergies. China encourages the WBG to expand its global network of development partners, enhance cooperation with new institutions such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB), and actively synergize with the Belt and Road Initiative (BRI) and the Global Development Initiative (GDI) proposed by President Xi Jinping. "Better bank" also means better governance. China looks forward to the launch of the IBRD Shareholding Review as scheduled and its concluding by the 2025 Annual Meetings.

China supports the WBG in becoming a "Bigger Bank". China welcomes the International Bank for Reconstruction and Development (IBRD) to further unleash its lending capacity through balance sheet optimization and other measures, while maintaining its AAA credit rating and avoiding an increase in the cost of lending. In the meantime, we should guard against potential governance, legal and financial risks that may arise from the issuance of

instruments such as hybrid capital. We urge to have serious discussions on capital increase to strengthen the financial soundness and further expand the lending capacity of the WBG. China reaffirms the importance of adequate concessional financing for poor countries through the International Development Association (IDA), as well as the need to provide concessional finance to middle-income countries to support them in addressing global challenges.

China calls on the World Bank and other multilateral creditors to actively participate in debt treatment. Multilateral creditors are among the major creditors of many heavily indebted developing countries. China is open to the way that the World Bank provides concessional finance, such as grants, to debtor countries, but urges the World Bank to propose a concrete proposal for participation in debt treatment as soon as possible. In order to address debt issues in an effective, systemic and comprehensive manner, all creditors, including bilateral, multilateral and commercial creditors, should actively participate in debt treatment under the principles of joint actions and fair burden-sharing.

China highly appreciates the IMF's efforts to support its members, especially the developing and low-income countries, in responding to inflation, climate change, and energy and food crises. China also commends the Fund for its efforts in promoting global multilateral cooperation and reducing the risk of economic and financial fragmentation.

China looks forward to a timely conclusion of the Sixteenth General Review of Quotas, with meaningful quota increase and share realignment, in order to restore the IMF as a quota-based institution, reflect members' relative weights in the global economy, and strengthen the voice and representation of dynamic emerging markets and developing countries. All parties should work together to achieve both quota increase and share realignment in the Sixteenth Review, and make decisions that will benefit the IMF and the global economy.

China supports the addition of a third Executive Director seat for African countries. Adding an African Executive Director seat and quota realignment are two separate matters and

not mutually replaceable. Quota realignment is fundamental to IMF's governance reform, while other measures are its complements.

China supports the IMF's efforts to promote the channeling of Special Drawing Rights (SDRs). We hope that relevant work will be accelerated to provide tangible support to vulnerable countries. China took the lead in proposing channeling more than one third of the newly allocated SDRs (10 billion SDR) to low-income and vulnerable countries, more than two thirds of which will be used to support the development in African countries. China calls on SDR-rich countries to continue to channel their SDRs to vulnerable countries through the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).