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World Bank Group President Jim Yong Kim

As Prepared for Delivery

Good morning. Welcome to the 2015 World Bank Group-IMF Annual Meetings. It’s great to be in Lima. Peru has been a wonderful host and we’re grateful for all it has done to prepare for our arrival.

Just a few days ago, we announced that for the first time the percentage of people living in extreme poverty around the world will likely fall to under 10 percent this year, to 9.6 percent globally. This is the best story in the world. Our goals at the World Bank Group are to end extreme poverty by 2030 and to boost shared prosperity for the bottom 40 percent in developing countries. While we remain confident of ending extreme poverty, the final stretch will be extremely difficult because we are in the midst of a period of slow global growth, the end of the commodity super-cycle, pending interest rate hikes, and continued flight of capital out of emerging markets.

After a decade of strong growth and tremendous social progress, Latin America, like other regions, is facing these headwinds. We forecast that the region will experience -0.3 percent growth for 2015 with a slight improvement to 1.1 percent in 2016. The slowdown poses a threat to hard-won social gains, and countries must now adapt. Countries in Latin America need to increase productivity, access to quality education, and ensure that the state is more efficient in providing social services.
The region can promote inclusive growth through reforms that enable it to take advantage of its openness to global trade. The recently completed Trans-Pacific Partnership negotiations could be very good news for the region, even with Mexico, Chile, and Peru as the only Latin American countries taking part. The TPP’s potential influence on the world economy could help boost the region’s growth.

I have two other issues to talk about—the first on the impact of changing demographics. We released our Global Monitoring Report yesterday, which shows that governments must overcome a growing demographic divide to make future progress. Half of the world lives in countries where populations are relatively young and growing, but are poor with little access to quality education. The other half lives in countries where populations are contracting, aging and retiring; these countries drive most of the world’s economic activity, but their economic growth is at risk as birth rates and the numbers of workers decline.

These demographic realities can be a golden opportunity for both poor and rich countries. An influx of working-age refugees or migrants into a country with an aging population can ultimately reap benefits for everyone—but as we have been witnessing for the past few years due to the ongoing conflict in Syria the flow of refugees can lead to tragedy as well. Jordan, Lebanon and Turkey have taken in several million Syrians in recent years, generously providing shelter, schooling, and other services. Now, hundreds of thousands of mostly Syrian refugees have been pouring into Europe. This has tested Europe’s leaders and its people, as it did Syria’s neighbors, and we admire the outpouring of help and generosity from many across Europe. For all involved, the refugee crisis is an immensely difficult challenge. The World Bank Group has been assisting the host communities of the refugees in Lebanon and Jordan for the past few years, and now we’re exploring new ways to increase our help for Syria’s neighbors.

The second topic is climate change. Climate change affects every nation and every person, but it hits poor people the hardest. The world must cut emissions and invest in greater resilience now. At the Paris conference in December, countries must show real ambition. Political will for urgent action is critical. We believe there are politically credible pathways to deliver $100 billion dollars a year in climate financing for developing countries by 2020. Meeting this commitment will build the trust and confidence necessary for credible emissions’ reduction targets. Much of that $100 billion dollars is already flowing, with multilateral development banks providing critical financing.
The World Bank Group stands ready to scale up its support to meet increasing demand from countries. The world must act now to put a price on carbon, end fossil fuel subsidies, increase access to renewable energy and improve efficiency, build cleaner and more livable cities, and invest in climate-smart agriculture. We will be having active discussions with our shareholders in the coming days to do all we can to help the world find solutions that are equal to the challenge of climate change.

Thank you very much. I'll now take your questions.