Transcript: World Bank Group
President Dr. Jim Yong Kim
Media Availability Following Speech at Georgetown University

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Dr. Jim Yong Kim
Washington, DC, United States
Transcript

DR. KIM: I'm ready to take your questions.

QUESTION: Is the consolidation of Bank-specific [unclear 0:00:08] development impact on developing countries on loans?

DR. KIM: Well, you know, we are watching very carefully everything that's happening in both the U.S. economy, the European economy, and all the high-income countries. And what we know is that when the developed economies have these crises, that has a huge impact on developing countries.

The good news is what I said today, that, really, developing countries have really kept the growth numbers up over the last five years. So, whereas high-income countries are only going to grow at 1.2, 1.3 percent, the developed economies are growing at 5.5 percent.

So, even though the various economic problems in high-income countries have an impact on developing countries, we've been very encouraged to how quickly they've been able to rebound, and we're very hopeful that growth will continue over the next couple of years, despite the banking troubles in high-income countries.
QUESTION: William [unclear] with AFP. You mentioned Cyprus briefly. How serious is the crisis there for the Euro Zone, do you think?

DR. KIM: Well, we're watching carefully. We're still not sure what the agreement is going to be at the end of the day.

And we learned some lessons there. The banking sector there was seven times the GDP. There were just some aspects of the situation that of course were troubling. One of the things that's very encouraging to me, though, is that the European Commission, the ECB, the troika Christine Lagarde and the IMF, they have stepped forward and been willing to do what it takes to keep the Euro Zone together and to support countries that really need the help.

Now, there's difficult negotiations going on right now, but I think that we all have to look back over the last nine months to a year and say that the willingness of leaders of the Troika to step forward is very encouraging.

QUESTION: Dr. Kim, [Unclear 0:02:05], there has been, I think, about [unclear 0:02:11]. monetary policy [unclear] the impact to the developing countries' economy and so I want to talk about that issue on the [unclear] meeting.

DR. KIM: Well, so, we--at the last G-20 meeting in Russia, we had very explicit, very long discussions about just this issue, and the consensus coming out of that meeting was quite clear, that monetary easing as a response to national concerns as--you know, targeted, for example, at inflation rates, are perfectly acceptable, and it was agreed throughout the entire group of G-20 leaders.

And so, one thing I want to note is that having a G-20 was really important right at that time so that we could have that discussion. It was a very productive discussion, I think we came out of it in full agreement.

Of course, there are concerns. There are developing countries who did express concern that if all the high-income countries do this at the same time they can have spillover effects. We're studying those right now but for now I think the good news is that there is no
currency war, that we are in agreement that forums like the G-20 have been very helpful in allowing us to have these important conversations about just these issues.

**QUESTION:** Dr. Kim, my name is [unclear 0:03:23] from GG Press [phonetic]. About your ending extreme poverty plan, do you expect--on this, do you want it to be one of the main agenda of the post Millennium Development Goals or—

**DR. KIM:** Well, I think we've now had lots of conversations with the UN system, with the largest donor governments, with all of our partners from the developing world, and there's a very strong consensus that we now should and can make a concerted push to end poverty, but there are lots of things that we're worried about.

You know, one of the things that we understand about climate change is that it's creating these disasters that are extremely costly.

So, we have to do many things at once. We're not going to just focus on poverty and not do anything else, but I think this notion of ending poverty, we have to do it, it's a moral imperative, but at the same time talking about boosting shared prosperity, economic growth, inclusion, and also tackling climate change, we think it gives us a very focused yet broad enough foundation so that we're not going to just do one thing, we're going to do things that we think the world really needs.

**JOHN DONNELLY:** Two more questions.

**QUESTION:** [Unclear 0:04:35], AP.

I was wondering, do you think that the World Bank has adequate financial resources to reach the goal of ending poverty?

**DR. KIM:** Well, we were very clear about this, is that there's no way that the World Bank Group as the single institution can end poverty, but think of the world as it exists now. There is a lot of work going on by individual bilateral donors from DFID, from USAID here today. Raj Shah was here today.

There's a lot of different organizations with lots of different money that are focused on ending poverty, for example.
And one of the things that we know is that there is no way that official development assistance alone can end poverty.

Just the example I gave you was in India, where half of the infrastructure deficit is going to have to be made up by the private sector. So, there are lots of new players.

We at the World Bank Group think that we can play a central role in coordinating and helping to coordinate not only donors but also the private sector in making the kind of investments that will have the biggest impact. We know we're not the only player, and we very much look forward to working closely with all of our other partners.

One more question.

QUESTION: I just wondered when

JOHN DONNELLY: Identify yourself.

QUESTION: Yeah, I'm Diana Greg with BNA about accelerating growth in the developing world from where it was in the last 15 years to achieve these new goals. If they're growing less than 6 percent now, what kind of growth rates do they need to have to accomplish that?

DR. KIM: Well, you know, it depends on the economy and depends on the country, but we need higher growth rates, we know that, and there's not a single number that we would quote at this time, but they all need higher growth rates.

And so, let's just take one example--and I keep mentioning India because it's the country that I just visited. With a $1 trillion infrastructure deficit, it will be very difficult to accelerate economic growth unless we all make efforts to find that money and to make the investments that are needed in a place like India that still has 400 million people living in absolute poverty.

So, it's not a matter of the World Bank Group dictating a target growth rate, but it's a matter of us working with governments like India, governments like Brazil, governments like so many of the fragile and conflict-affected states to find a way to get those resources and to make the investments in the infrastructure that will then lead to growth and jobs in the future.
One of the things that we've been emphasizing is that so many people are sort of waiting for the next shock, waiting for the high-income countries to return to growth so that they can export more effectively, and what we're saying is, please don't just wait for the high-income countries to go back to growth. Please don't just sit and wait for the shocks. Make the kinds of investments now in infrastructure and human capital that you need in order to assure growth in the medium to long term. This is a very strong message that we've been sending consistently.

Thank you very much for your time.