



ANNUAL MEETING OF THE BOARDS OF GOVERNORS

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Statement by the Alternate Governor for China

Yi Gang

1. First of all, I would like to express my gratitude to the government of the Republic of Panama for the excellent program and thoughtful arrangements.
2. In 2012, due to uncertainties and risks in the global outlook, the growth in Latin American and Caribbean (LAC) countries moderated. But in general, the impact of the global financial crisis on the region is relatively limited thanks to the sound macroeconomic policies and improved financial regulation. We have confidence in the growth prospects in the region.
3. In recent years, under the leadership of President Moreno, the IDB actively assisted regional member countries in coping with the crisis by supporting trade finance, increasing loan disbursement in a counter cyclical manner, improving lending instruments, etc. We are pleased that the implementation of the Ninth General Capital Increase (GCI-9) is enhancing the lending capacity of the Bank. A series of reform measures is being implemented to strengthen the strategy focus, increase development effectiveness and operational efficiency of the Bank. We welcome the mid-term evaluation of the implementation of GCI-9 by the Office of Evaluation and Oversight (OVE). We hope that the Bank's institutional priorities and strategies can be carried out in a smooth manner, and the IDB will move closer toward its goal of being "a bigger and better" bank. As the private sector is playing an increasingly important role in economic and social development in the LAC region, we support the re-evaluation and consolidation of private sector operations within the IDB Group. In order to enhance the operational efficiency of the Bank, the design of the reform should focus on the actual need of the region and take into consideration the future development space.
4. As a new member who joined the Bank several years ago, China has all along supported the Bank to play a greater role in boosting economic and social development and regional integration. At present, with profound and complex changes taking place in the global economic landscape, the international financial institutions are undertaking

governance and structural reforms. It is plausible that the Bank, responding to the needs of regional development, speeds up governance structure adjustment, in particular by making its share allocation more compatible with changes in the world economic situation to better serve regional economic and social development.

5. China has always attached great importance to developing friendly cooperation with the LAC region. In recent years, economic and trade ties have expanded. The trade volume between China and the region grew 8.2 percent year on year in 2012 to USD 261.2 billion. Meanwhile, with closer multilateral cooperation, the IDB has become an important platform for financial trade and investment cooperation between China and the LAC countries. Since China joined the IDB, the two sides have worked together in many fields. The China Trust Funds established with China's contribution are supporting institutional capacity building and SME development in the region, and are welcomed by LAC countries. There has been sound cooperation between the two sides in trade finance, infrastructure project co-financing, microfinance, staff exchanges, innovative financing cooperation, etc. The China Co-financing Fund for Latin American and the Caribbean of USD 2 billion became operational on January 14 this year. This is a milestone in the cooperation between China and the IDB. Going forward, the cooperation between China and the IDB in project financing, experience exchanges, etc., has enormous potential.

6. The annual China-LAC Business Summit in Hangzhou, China last October was a great success. This year the summit will take place in San José, Costa Rica. This annual event brings together enterprises and financial institutions to explore business opportunities in China and Latin America; we sincerely welcome the active participation by LAC business leaders in the Summit.

7. China values the unique and important role of the IDB in promoting regional development. By innovating the methods of cooperation, expanding the areas of cooperation, enriching the content of cooperation, and enhancing South-South cooperation, we are ready to work together with the IDB and other member countries to develop more comprehensive, deeper, balanced, and sustainable cooperation for the welfare of people in China and in this region.