



**MINISTRY: FINANCE  
REPUBLIC OF SOUTH AFRICA**

**Statement by Mr Pravin Gordhan, Minister of Finance on the appointment of Ms Christine Lagarde as Managing Director of the IMF**

I would like to express my congratulations to Ms Christine Lagarde in her appointment as Managing Director of the International Monetary Fund (IMF). As the global economy continues to be plagued with persistent economic challenges, the role of the IMF has and will continue to become crucial to global co-ordination and crisis management. I am confident that Ms Lagarde will be able to actively enhance that role even-handedly and effectively.

The IMF, should among other things, continue with its focus of the following issues in order to further strengthen its relevance and legitimacy among all member countries:

- Transfer of quota shares in favour of emerging and developing countries, in order to increase their relative weights in the IMF decision making process, in line with their dynamism in the world economy. Therefore, the reforms of the Fund's quotas and governance in 2010 should be implemented at short notice, and a comprehensive review of the current quota formula should be approved.
- A commitment that the next IMF Managing Director would not necessarily be a European citizen.
- Small countries should have appropriate voice. Since the global crisis, small countries have faced particular challenges that require greater attention from the IMF.
- Strengthening the International Monetary and Financial Committee.

- Greater diversity in the IMF staff in terms of nationality, gender, and academic and professional backgrounds.
- Improving the surveillance of systemically important advanced economies.
- Deepening the understanding of national experiences on the management of capital flows, and rapidly developing guidelines for both “sending” and “receiving” countries without being prescriptive.
- Modernising the lines of thought, adapting them to the reality of global and domestic economies, and overcoming the prevalence of the dominance of perspectives of economic policy of advanced economies.

I trust that she will maintain the commitment to future governance reforms, including increasing the number of Executive Board chairs. This would enhance the representation of emerging markets and developing countries and improve the legitimacy of this important global financial institution.

Issued by: Minister Pravin Gordhan

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