



**MINISTRY: FINANCE
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**OPENING REMARKS TO THE ABCDE
CAPE TOWN
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**TREVOR A MANUEL, MP
MINISTER OF FINANCE, REPUBLIC OF SOUTH AFRICA**

Mr President,
Distinguished Guests,
Ladies and Gentlemen

Let me welcome all of you to the 2008 Bank Conference on Development Economics. It is appropriate that we are able to host you in Cape Town, not least because in this city the challenges of development are starkly apparent – yesterday’s newspapers reported with relish that a single apartment, not one kilometre from where we meet, was sold for R 110 million (\$14 million), and not ten kilometres away we see the poor scramble against each other for the most basic accommodation. This is the challenge of Cape Town, of South Africa and the world.

This is why the theme of this conference “People, Politics and Globalisation” is so very appropriate.

Just over six years ago, we gathered at Monterrey in Mexico to agree on a partnership that we fervently believed would alter the course of economic development into the future. African leaders confirmed this theme and tabled a programme for continental transformation entitled a “New Partnership for African Development (NEPAD)”. Acting on these commitments, many countries moved toward more stable macroeconomic outcomes, improved on the capacity to deliver services and implement pro-growth and pro-poor economic and regulatory policies. These achievements have given many countries the first opportunity to reap the benefits of both tough economic policies and of globalisation.

There have been significant research initiatives such as the Commission on Global Public Goods and the Commission for Growth and Development. In respect of the latter a thorough analysis was undertaken of the growth incidences between 1950 and 2005, attempting to understand the features of such growth, the measure of interaction between countries and the impact on the living standards of people in high growth countries.

Amongst the observations of the CGD is the reality of growing income disparities across the world, occasioned by technology changes, shifting relative prices and by globalisation itself. The commission

report draws attention to the findings of the 2007 Pew Survey of Global Attitudes which suggests that support for globalisation is flagging, especially amongst the citizens of developed and of some developing economies.

The questions before this conference relate to sustaining the growth momentum and ensuring that the benefits of growth are far more inclusive than what we what witnessed until now. Much emphasis should also be given to that tangible set of global commitments that measure progress against want, the Millennium Development Goals.

These discussions are framed by the reality of rapidly rising prices of food, fuel and finance, a convergence that threatens to roll back many of the recent gains in respect of each of the dimensions of our theme – people, politics and globalisation.

Whilst this conference is not intended to conclude with a declaration – we know that the shared observations that will emerge from here are keenly awaited. This year will see the United Nations advance further in its discussions of food security, of the MDG's and of the Financing for Development.

None of us can afford to ignore the harsh realities that seek to erode the gains that we have until now taken for granted. The moment calls on us to dig deep within ourselves and advance a new, rational set of ideas to be pursued by thinkers and policymakers everywhere.

Allow me now to introduce the new Chief Economist of the World Bank, Mr Justin Lin to share with us his observations.

Thank you.