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REPUBLIC OF SOUTH AFRICA

BROADER CONSULTATION NEEDED FOR THE APPOINTMENT OF THE MANAGING DIRECTOR OF THE IMF

Finance Minister Trevor Manuel, MP once again re-iterates South Africa's strong support for the G-20 position that the heads of the international financial institutions, including the International Monetary Fund (IMF), should be appointed using an open and transparent selection process with candidates not restricted by nationality.

The Managing Director of the IMF, Mr Rodrigo de Rato, announced recently that he intends to step down from his position in October 2007. It would therefore be unfortunate if a truly merit-based process, allowing the consideration of candidates from all member countries whether advanced or developing were not followed.

Since the IMF and World Bank were established 60 years ago, the convention has been that a United States citizen, nominated by the President of the United States, be appointed as World Bank President and that the IMF Managing Director be a European nominated by the major countries of Western Europe.

As a member of the Management Troika in 2006 of the G-20 (the Group of Twenty emerging and advanced economies), South Africa strongly supported a reference in the October 2006 G-20 Communiqué which reiterated the position expressed in the October 2005 G-20 *Statement on Reforming the Bretton Woods Institutions* that the selection of senior management of the IMF and World Bank should be based on merit and ensure broad representation of all member countries. South Africa continues to hold this view.

South Africa however, welcomes the IMF Executive Board's announcements on 9 and 12 July that there will be an open, transparent process for selecting Mr de Rato's successor, with candidates being considered regardless of nationality and hopes that the IMF truly considers the concerns of many of its member countries.

South Africa shares this view with Peter Costello, the Australian Treasurer, and Guido Mantega, the Brazilian Minister of Finance.

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