



## **TECHNICAL GROUP MEETING**

September 5-6, 2014

Cairo, Egypt

### **OPENING REMARKS BY H.E DR. NAGLAA EL-EHWANY, MINISTER OF INTERNATIONAL COOPERATION**

*Honourable Guests*

It is an honour for me to have taken over as the Chair of the G-24; a Group that can **play a key role in facilitating dialogue amongst a diverse group of emerging markets and developing countries (EMDCs), and bring our collective voice to international fora.**

In my capacity as Chair and on behalf of the Government of Egypt, it is a pleasure to welcome you all, once again, to Egypt for a Technical Group Meeting, following the great success of the Luxor Meeting held last March.

*Ladies and Gentlemen,*

This TGM will take up issues that are of profound importance to the Group, at this juncture, including key strategic priorities for the year.

As you all know, our discussions are taking place against the backdrop of a global economy that remains in a period of transition and uncertainty. It appears that the recovery in the U.S. is taking hold, and the economy is showing signs of improvement, though uncertainties linger. On the other hand, Europe and Japan continue to face tremendous challenges

and even greater uncertainty, and they remain in a difficult position, with stagnating or negative growth and associated financial pressures. The highly uncertain path of recovery has implications for monetary policy and interest rates, particularly with regards to the tapering of quantitative easing by the Federal Reserve. In turn, this has potential spillover effects for EMDCs, which first became evident following the initial tapering announcement last year. Understanding the likely future impact of these policies and assessing the responses of emerging markets will be of critical importance for our Group.

Beyond these immediate challenges and uncertainties, the growth outlook now seems difficult for both advanced economies and developing countries. Against this backdrop, the development challenges we face are daunting. There is a fundamental need to **raise investment in both social and physical infrastructure** in order to meet development aspirations and fill enormous gaps. At the same time, it will be essential to **raise the quality of long-term growth, to ensure growth that translates into job creation and shared prosperity.**

The main focus of our TGM – **Financing For Development** – is therefore a timely issue for the Group. High-level discussions are currently underway in the UN on the **Post-2015 Development Agenda**, and a report was recently released by the “Intergovernmental Committee of Experts on Sustainable Development Financing”. The G-24 also has an ongoing work program, in collaboration with the Brookings Institution, the Global Green Growth Institute and the London School of Economics. Importantly, the Group has consistently stressed the **importance of effective mobilization of the resources needed for sustainable development, with infrastructure financing representing a central pillar.**

On this front, the Egyptian government has been undertaking a set of bold, integrated and simultaneous measures to mobilize the needed technical and financial resources for upgrading the country's infrastructure. These include increasing public investments in both physical and social infrastructure, intensifying cooperation with various development partners to finance priority infrastructure projects, and taking forward steps towards engaging the private sector in financing infrastructure, primarily through the Public Private Partnership mechanism. Towards this end, I would like to invite you all to return to Egypt, in February 2015, for the much anticipated **Egypt Economic Summit**, where you will get a clear and comprehensive view of Egypt's overall vision for sustainable development, the economic and social reform program undertaken to realize this vision, and the potential investment opportunities.

*Honorable Guests,*

Our TGM will provide an overview of those issues and the global discussions. It will also allow us to go more into depth on the regional context and perspectives of our countries. As set out in the agenda, we will benefit, in particular, from perspectives from Latin America, Asia, the Middle East and Africa.

Building on the outcomes of the sessions, together with previous ministerial meetings, the Group will be well-positioned to have a fruitful discussion of this issue during the upcoming Annual Meetings, and also to add value to the ongoing deliberations at the international level in advance of the Third International Conference on Financing for Development to be held next July.

Finally, I should note that financing for development is not the only issue we will be taking up at this meeting. We will also hold a special session on **inequality** tomorrow morning, in light of its growing impact and implications for our members. It is clear that the challenge of inequality in our societies has implications for long-term growth prospects, insofar as it diminishes the poverty reduction impacts of growth, reduces economic mobility, and increases inequality of opportunity. Reducing inequality is therefore an important policy priority for all EMDCs. However, there is little academic or policy certainty regarding the most effective means of achieving this goal. Recently, the IMF has intensified its work in this area, focusing on the relationship between redistribution, inequality and growth, and also examining the role of fiscal policy. The World Bank has also made this issue a key focus through its work towards the goal of shared prosperity, emphasizing the centrality of inclusion and jobs. Comprehensive discussions on this issue, including the exchange of lessons and experiences, will be an important step for our members in addressing the challenge of inequality in a multidimensional and meaningful way.

Let me share Egypt's experience in this regard. While the pace of growth was fast between 2005 and 2010, unfortunately the pattern was neither inclusive nor even. Consequently, Egyptians hit the streets in January 2011 and once again in June 2013, in pursuit of building the foundations for a new and just society; one that gives priority to the needs of all citizens equally, helps realize the aspired social justice, ensures a fair distribution of opportunities across the nation, and reserves the rights of future generations. To make this happen, solid policies, strategies, plans and programs are being undertaken to cause deep structural changes to the economy, allowing it to be vibrant, free, inclusive, and fair, with a strong

social protection network that would better employ State resources and realize more efficient targeting of the poor.

With that, by way of introduction, I would like to thank you all for joining our *Nile View Meeting*, and hope you will enjoy the exciting entertainment program we have put for you. Tonight, the Ministry of International Cooperation will take you to a cultural concert, at the Historical *Ghoury Dome*, to enjoy the touching performance of the *Samaa Band* and their Message of Peace to the World. Tomorrow, the Ministry of Tourism will take you on a tour to explore the mysteries of the Egyptian Civilization.

Ending on this rather high note, I would like now to hand over to Mr. Amar Bhattacharya, Director of the G-24 Secretariat, for his welcoming remarks.

Thank you.