

## **Mugur Isărescu: Establishment of a new 15-country IMF-WB Constituency that already includes Romania**

Speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the establishment of a new IMF-WB Constituency that includes Romania, at the Annual Meeting of the International Monetary Fund and the World Bank Group, Tokyo, 12 October 2012.

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Your Excellences, Ministers, Governors,

Ladies and Gentlemen,

I am honored to have the opportunity to address you all on this special occasion and to welcome our new partners from Belgium and Luxembourg.

This moment, when the establishment of a new, 15-country constituency, is formally announced, has several historical meanings, already presented by Minister de Jager.

Let me add something from the experience of my country. Romania joined the International Monetary Fund and the World Bank in 1972 and has been a member of the Dutch Constituency ever since. It is worth mentioning that this Constituency had only five members in those days: The Netherlands, Israel, Cyprus, Yugoslavia and Romania. After 1990, I saw how, in a few years, the memberships grew to 13 countries. Despite this rapid enlargement with such diverse configuration and the huge transformation happening in all the countries in the last two decades, our Constituency has remained remarkably stable and has operated well.

This is why I share the views of Minister de Jager that we have been able to find strength in our diversity.

More than this, I could say that based on diversity and stability, this constituency has gradually emerged, as one supporting the interests of small open economies such as our countries. And today, with Belgium and Luxembourg joining, we are one of the largest and diverse constituencies among European chairs, with a substantially higher voting weight and a voice to play an even stronger role in the IMF Board in the future.

Not only do we count nearly a quarter of all the EU members, but we have among us countries with broad experience in the world of finance. I wish to remind you that the first Managing Director of the International Monetary Fund was Camille Gutt, the distinguished Belgian economist. The fifth Managing Director, Johannes Witteveen, was a Dutch national. The First Deputy Managing Director for a long period of time, during the last twenty years, was Stanley Fischer.

The historical lesson that a country like Romania has learned for the past forty years as a member of the Dutch Constituency is the importance of continuity. Continuity has given us the feeling of belonging to a great family which is caring and providing for its members.

For many of us, former communist countries, being part of this constituency has offered a unique opportunity to benefit from the expertise of Western specialists, in the great effort of institutional development. An example is the Romanian central bank in the early '90s. Thus, the Supervision Department of the National Bank of Romania was set up with technical assistance from the Nederlandsche Bank. Also, forex and market operations developed from the co-operation with our colleagues from the Belgian central bank.

Another form of cooperation between the member states of the Constituency was the fact that since 1993, a second constituency meeting at the level of ministers and governors was held annually in one of the member countries, on a rotating basis. The IMF management and senior staff were invited to speak on issues of interest. I have participated to almost all constituency meetings since 1990. I could testify that each of them was interesting and

fruitful. As a veteran I cannot help but remember the first meeting after the fall of communism, in September 1990. At that time I met three not only impressive tall men, but also, outstanding personalities: Governor Wim Duisenberg, Minister Wim Kok and Executive Director Goddard Posthumus. I have to say I had the honour to collaborate with all the executive directors of our constituency. Thus, it is a pleasure to remember the extraordinary relationships developed with Onno Wijnholds, Age Bakker, Jeroen Kremers, Governor Nout Wellink and Minister Gerrit Zahn.

Dear colleagues and friends,

I am proud to say that the constituency meeting held in June this year, in Romania, where both Belgium and Luxembourg representatives were invited, was a step forward towards this formal outcome. It was as if the engagement was held in Bucharest and now, the official marriage is being celebrated here, in Tokyo.

It was not an easy journey. The National Bank of Romania has shown its support and loyalty from the very beginning. Many of you, present here, played an essential role in making it happen: Minister Jan Kees de Jager, Governor Knot, Executive Directors Menno Snel and Ruud Treffers.

I want to extend my thanks to them and to each and every one of you. Now we are a big family where trust is vital. I wish we have the opportunity to meet again in the future, look back on this day and be proud of our accomplishments.

Thank you.