**Brief Introductory Remarks by Mr Rundheersing Bheenick, Governor, Bank of Mauritius, as delivered at the lecture of Dr Min Zhu, Deputy Managing Director of the International Monetary Fund, Port Louis, Mauritius, 17 October 2011**

A hearty welcome to all guests this afternoon who made time to attend this Lecture.

Soon after I joined the Bank as Governor, I initiated a Lecture Series Programme, which has today, become one of the Central Bank's annual flagship events.

The Lecture Series is part of the Bank's on-going commitment to education and national development and has attracted eminent personalities like Prof. Stefan Gerlach, Governor Paul Acquah, Governor Guy Quaden, Prof. Bishnodat Persaud, Prof. Jeffrey Frankel and Prof. Paul Collier in our midst to share their views with on wide range of issues related to the economic, social, cultural and political development.

Today we have the 7th lecture in this series.

We welcome in our midst Mr Min Zhu, the Deputy Managing Director of the IMF to talk on the "Global Challenges and Policies in Sub-Saharan Africa". Before I give the floor to Mr Zhu, allow me to introduce our Distinguished Speaker.

When Ms Christine Lagarde took office as IMF's new Chief, she went on to create a new Deputy Managing Director position. In her own words and I quote "Min Zhu brings a wealth of experience in government, international policy making and financial markets, strong managerial and communication skills as well as an institutional understanding of the Fund, and I look forward to his counsel."

Prior to his appointment, Min Zhu served as Special Advisor to the Managing Director of the International Monetary Fund from May 3, 2010 to July 25, 2011. Min Zhu was born in Shanghai, China in 1952. He graduated from Fudan University in Shanghai with a bachelor's degree in Economics in 1982, ["Fudan" literally means "heavenly light shines day after day"] and gained a Masters in Public Administration from the Woodrow Wilson School of Public and International Affairs at Princeton University and a Ph.D. in economics and an M.A. in economics from Johns Hopkins University.

Min Zhu was a Deputy Governor of the People's Bank of China. He was responsible for international affairs, policy research, and credit information. Prior to his service at China's central bank, he held various positions at the Bank of China where he served as Group Executive Vice president, responsible for finance and treasury, risk management, internal control, legal and compliance, and strategy and research. Min Zhu also worked at the World Bank.

He has published extensively on a wide range of macroeconomic management, financial regulation and supervision, and financial market issues. He is a guest lecturer at several university graduate schools, and a frequent speaker at major global economic fora.

Min Zhu became the second Chinese to take on a senior position in a top international financial institution after Justin Yifu Lin, who was appointed Vice-President and Chief Economist of the World Bank in 2008.

The topic of Mr Zhu's address probably needs no explanation but needs some context. The IMF was forged from failure. [James Boughton, IMF Working Paper/2004/75]. It was designed during World War II (WWII) by men whose worldview had been shaped by the Great War and the Great Depression.

When delegations from 44 countries met at Bretton Woods, New Hampshire in July 1944 to establish institutions to govern international economic relations in the aftermath of the 2nd World War, they wanted at all cost to avoid a repeat of the failings of the Paris peace conference. Proposals were made to create the International Bank for Reconstruction and Development (IBRD) to restore economic activity and the IMF to help restore currency convertibility and multilateral trade. The IMF was given a structure and mandate that reflected that time and those circumstances.

The institution has changed greatly in the six decades since Bretton Woods, with much of the volume of its lending becoming crisis-driven and through intensifying its involvement in crisis prevention and resolution. The evolution of the IMF has been driven almost entirely by shifts in demand ─ shifts in world economic and political conditions ─ not by forces from within seeking to reinvent the institution.

Since the collapse of the Bretton Woods system in the mid-1970s, the IMF and World Bank have helped the world to avoid the horrors of a systemic collapse. At different times, different countries have taken different views about the role of the IMF and the way it goes about fulfilling its role as the financial policeman. Nobody can deny the fact that the IMF has made big strides over the years (although many would have preferred a faster pace), broadening the coverage of activities and adapting to the changing world economic order while dealing with emerging crises and the oil shocks of the 1970s, with recession and the global debt crisis in the early 1980s, with Mexico, Russia and Asia in the late 80s and 1990s, and the financial meltdown since 2007.

Before the crisis, some people were putting into question the *raison-d'être* of the IMF. The IMF was even shedding staff but the crisis proved beneficial to the Fund as now, it is even recruiting staff.

The IMF remains the principal institution of global economic governance and its role is now more relevant than ever before. A couple of years back, it would have been unthinkable that the IMF would have to join hands with Europe to rescue advanced economies like Ireland and Greece. The IMF remained at the forefront of discussions and it was only through extraordinary international policy cooperation that a far worse outcome has been averted.

One issue that has always been on the minds of many is the domination by the World War II victors. Progress has been slow in opening up the Fund to new players especially in the light of reshaping of the global financial architecture. The concern of voice and representation at the Board level remains a sore point for Africa and we cannot but reiterate our plea for more progress in this direction.

In the longer term, the Fund should step up its surveillance of national financial systems and the global system and help to develop a better framework for macro-prudential supervision. As much as the world has changed, the raison d'être for the IMF remains as vital as ever.

A few words now on Mauritius and the IMF before I leave the floor to Min Zhu. Mauritius joined the IMF on 23 September 1968 and our quota in the Fund currently stands at SDR101.6 million, representing around 0.04% of the total. The share out of total voting power for our country is around 0.07%. We have no outstanding loan from the IMF. The last time we were borrowing from the Fund goes back to the late 70s and early 80s when we were under the IMF's stand-by arrangement programme.

Probably, Mauritius is the first country to have published the letter of intent for our Stand-By Arrangement. Our Rupee was pegged to the SDR on 5 January 1976 but was delinked in 1981.

The IMF has been and is still a respected dialogue partner for Mauritius and the Bank.

One plus point for the country I wish to highlight here is that we are now ready to join the super league of SDDS countries.

We have three discussants with us this afternoon. From the region, we have Dr Johan van den Heever, who is Senior Deputy Chief Economist at the South African Reserve Bank. On the home front, we have with us Dr Chandan Jankee, who is Associate Professor at the University of Mauritius and Mr Eric Ng Ping Cheung, who is the Managing Director of Pluriconseil Ltd.