ANNUAL MEETINGS
2025 | WASHINGTON DC
WORLD BANK GROUP
INTERNATIONAL MONETARY FUND

Governor’s Statement No. 10

October 17, 2025

Statement by the Hon. **MIN LIAO**
Governor of the IBRD for the **PEOPLE'S REPUBLIC OF CHINA**

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Alternate Governor of the IBRD for the People's Republic of China

## I. Global Economic Development

Since the beginning of this year, the global economy has demonstrated a degree of resilience, but uncertainty has become the "new normal," with mounting downside risks. Particularly influenced by factors such as trade restrictive measures from major economies and heightened geopolitical tensions, the characteristics of "low growth, high debt, weak investment, and fragmentation" have become increasingly pronounced. We note that the World Bank Group projected that intensified trade tensions and policy uncertainty will lead global economic growth in 2025 to its slowest pace since 2008, with the global growth rate revised down by 0.4 percentage points to 2.3%, and growth forecasts for nearly 70% of economies downgraded.

Against this backdrop, we call on all economies to further strengthen communication and coordination on macroeconomic policies, deepen structural reforms, and fully unleash the potential growth momentum brought by new technologies such as new energy and artificial intelligence. We call for safeguarding the multilateral trading system with the World Trade Organization at its core, maintaining the stability of global industrial and supply chains, fostering an open and cooperative international environment, and jointly building an open world economy to inject more certainty and positive energy into global economic growth.

Promoting global economic growth and addressing development challenges cannot be achieved without the joint efforts of the international community. To this end, we call on all parties to place development at the center of the international agenda and strengthen global development partnerships. Developed countries should earnestly fulfill their official development assistance commitments; developing countries should deepen South-South cooperation; and multilateral and bilateral development institutions, as well as public and private sectors, should enhance coordinated cooperation. This includes increasing investment in traditional areas such as poverty reduction and growth, and creating new highlights of cooperation in areas such as climate change response, environmental protection, energy transition, and food security, to drive stronger, greener, and healthier global development and collectively advance towards a community with a shared future for mankind.

**II. China's Economic Development**

Since the beginning of this year, the Chinese government has introduced a series of policy measures, promoting overall stable economic performance with a trend of progress amid stability. Production and demand have sustained growth, employment and prices have remained generally stable, new quality productive forces are being cultivated and strengthened, and achievements have been made in high-quality development.

Demand has sustained growth. In terms of consumption, from January to August, total retail sales of consumer goods increased by 4.6% year-on-year. In terms of investment, fixed asset investment (excluding real estate investment) grew by 4.2% from January to August; within this, manufacturing investment grew by 5.1%. In terms of trade, in August, the total value of goods trade imports and exports was 3.87 trillion yuan, a year-on-year increase of 3.5%. Employment and prices remained generally stable. From January to August, the average surveyed urban unemployment rate was 5.2%, flat with the average from January to June. In August, core CPI (excluding food and energy prices) rose 0.9% year-on-year, marking the fourth consecutive month of expanding increase. In August, the Producer Price Index (PPI) fell by 2.9% year-on-year, with the rate of decline narrowing by 0.7 percentage points from the previous month. Industrial production has grown relatively rapidly. From January to August, the value-added of industrial enterprises above the designated size increased by 6.2% year-on-year, 0.4 percentage points faster than the full-year growth of the previous year. The advancement of manufacturing towards higher-end, smarter, and greener production continued. From January to August, the total profits of industrial enterprises above the designated size reached 4,692.97 billion yuan, a year-on-year increase of 0.9%.

Since the beginning of this year, the Chinese government has implemented a more proactive fiscal policy, strengthening support in key areas such as consumption promotion, employment stabilization, and underpinning stable macroeconomic performance. The combined expenditure in the general public budget and government-managed funds budget for this year amounts to 42.2 trillion yuan, a year-on-year increase of 9.3%; the new government debt is 11.86 trillion yuan, an increase of 2.9 trillion yuan from the previous year, significantly exceeding levels of recent years. In terms of boosting consumption, over 300 billion yuan in ultra-long-term special government bonds has been allocated to support the trade-in of consumer goods. The nationally budgeted expenditures for education, and social security and employment this year both exceed 4.4 trillion yuan each, with growth rates of 5.9% and 9.2% respectively in the first half of the year, higher than the increase in the general public budget (3.4%).

At the same time, the People's Bank of China continues to implement a moderately loose monetary policy. In May this year, a package of monetary policy measures was launched. In terms of aggregate, the reserve requirement ratio was lowered by 0.5 percentage points, providing about 1 trillion yuan in long-term liquidity to the market, while comprehensively using tools such as open market operations, medium-term lending facilities, and relending and rediscounting to maintain ample liquidity. In terms of price, policy interest rates were lowered by 0.1 percentage points, the interest rates on structural monetary policy tools were reduced by 0.25 percentage points, and the interest rate on individual housing provident fund loans was cut by 0.25 percentage points, driving down deposit and loan interest rates. The next step involves comprehensively using various monetary policy tools based on the macroeconomic situation and changes to ensure ample liquidity, promote a decrease in overall social financing costs, maintain stable financial market operations, and keep the RMB exchange rate basically stable at an adaptive and equilibrium level.

**III. About the Work of the World Bank Group and the International Monetary Fund**

China appreciates the World Bank Group, under the leadership of President Ajay Banga, for implementing its new vision and mission, focusing on the jobs agenda, and continuously innovating and reforming, injecting positive energy into the global economy and development cause. China encourages the World Bank Group to integrate the jobs agenda into its Country Partnership Frameworks, assisting client countries in establishing a jobs-first mindset and formulating employment and growth strategies suited to country-specific conditions.

China calls on the World Bank Group to strengthen cooperation with other international institutions, adhere to the correct direction of positive globalization, practice true multilateralism, promote joint efforts to defend the rules-based multilateral trading system, jointly maintain the stability of global industrial and supply chains, strive to build an open world economic system, enhance the development momentum of all countries, and ensure that the fruits of development are shared more widely and equitably among peoples.

Development finance is an important source of support for growth and employment in developing countries. China looks forward to the World Bank Group playing a greater role in mobilizing resources and implementing the 2030 Agenda for Sustainable Development. First, expand resource mobilization efforts, and urge relevant parties to fulfill their financing commitments under the evolution roadmap to ensure adequate financial resources for realizing the new vision and jobs agenda. Second, strengthen strategic guidance, update sector strategies, optimize the allocation of internal resources, innovate financial instruments, and continuously improve operational efficiency and effectiveness to better serve all client countries. Third, enhance partnerships and deepen cooperation with development financing institutions, including the Asian Infrastructure Investment Bank and the New Development Bank, to foster open and inclusive global development partnerships. China values the World Bank Group's focus on infrastructure investment as the primary pillar of its jobs strategy and supports its work in three areas: First, support developing countries in strengthening infrastructure connectivity, developing industrial parks, fostering cluster-based production models, and deepening regional economic cooperation to better integrate into global industrial and value chains, and improve the sustainability and quality of employment. Second, assist developing countries in harnessing opportunities stemming from technological revolutions and industrial transformation, such as the digital economy and renewable energy, while establishing aligned human resource systems to underpin high-quality employment. Third, innovate financing instruments, diversify currency options, and mobilize resources through multiple channels including multilateral, bilateral, public, and private sources to narrow infrastructure financing gaps.

Adhering to the rules-based approach, the World Bank Group should earnestly advance governance reform to ensure that it reflects the new global economic landscape, increases the voice of developing countries, and safeguards the institution's legitimacy and representativeness. China welcomes the 2025 Shareholding Review Progress Report and expects the International Bank for Reconstruction and Development to explore all possible shareholding adjustment options in line with the Lima Principles and the dynamic formula. This should address the long-standing extreme under-representation of certain member countries, protect the rights of the smallest poor countries, thereby upholding the credibility of the shareholding review process. Meanwhile, China supports substantially enhancing the voice and representation of developing countries through voice reform as part of the 2025 Shareholding Review. China expects to see substantive progress in the 2025 Shareholding Review by the Spring Meetings in 2026.

China supports the World Bank Group in implementing open, transparent, and non-discriminatory procurement policies by ensuring fair treatment for suppliers from all member countries. China supports the World Bank in formulating the Minerals and Metals Sector Strategy to assist relevant developing countries in achieving growth and employment, benefiting their people, and promoting the building of a new type of open, win-win, fair, and rational mineral resources partnership.

With the IMF at the center of the GFSN, advancing the quota reform remains critical to enhancing the IMF's legitimacy, effectiveness, and representativeness. China is deeply disappointed that the 16th General Review of Quotas (GRQ) has not yet come into effect and an overall arrangement to guide further quota realignment has not been established as planned. The IMF should urge relevant countries to complete their domestic procedures, so as to advance the timely implementation of the quota increase under the 16th GRQ without further delay. In the meantime, the IMF should speed up preparations for the 17th GRQ, and realize a meaningful quota share realignment as early as possible to uphold its credibility.

The IMF should further strengthen its role in economic surveillance, objectively assess the risks facing the world and individual countries, and provide more targeted policy recommendations tailored to country-specific circumstances. It should also actively guide and encourage countries to firmly support economic globalization and the multilateral trading system, effectively strengthen macroeconomic policy coordination, and safeguard the stability of the international financial system. The Comprehensive Surveillance Review (CSR) should follow more closely the fiscal risks of major advanced economies and their spillover effects, and enhance the robustness and resilience of the global financial system. We welcome the progress made by the IMF and the World Bank in their review of the Debt Sustainability Framework for Low-Income Countries (LICs-DSF). We encourage the two institutions to take into account the views of emerging creditors and debtors, and further improve the accuracy of debt risk assessments. China highly commends and actively supports the IMF's efforts to help member countries address complex economic challenges and promote growth through the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).