

# MOROCCO

**STATEMENT BY MR ABDELTIF LOUDYI,  
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OF THE EUROPEAN BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**ON THE OCCASION OF THE 17<sup>TH</sup> ANNUAL MEETING  
OF THE BOARD OF GOVERNORS**

**KIEV – UKRAINE  
18-19 MAY 2008**

Mr Chair of the Board of Governors,  
Mr President of the Bank,  
Governors,  
Ladies and Gentlemen:

It always gives me pleasure to take part in the work of the Board of Governors of the EBRD.

On this occasion, allow me to begin by conveying the thanks and congratulations of the Kingdom of Morocco to the Ukrainian authorities and the EBRD for the quality of the welcome and the warm hospitality as well as for the facilities that have been deployed to ensure the first-rate organisation of this Meeting.

I wish to associate myself with earlier speakers in cordially thanking Mr Lemierre whose wise leadership has enabled the role of the Bank in the region to be strengthened and its financial basis reinforced.

In 2007 the EBRD once again achieved remarkable results with a net profit of close to €2 million despite the turbulence prevailing in world financial markets. As far as commitments are concerned, it is reassuring to note that they are being made against the background of a new level of growth in 2007 and are particularly geared towards projects the expected impact of which is regarded as “good” and “excellent”.

May I also be permitted to congratulate the Bank on the impressive increase in the level of disbursements which bear witness to its effectiveness in the implementation of the projects and operations identified.

We must, however, remain vigilant with respect to any unforeseen development in the context of the Bank’s operations. To that end, we support the proposal of the Board of Governors to allocate the major part of the net profits for 2007 to the strategic reserve thereby, in my view, ensuring that the Bank has the resources, in the medium term, to continue its activities on behalf of the beneficiary countries.

Mr President  
Ladies and Gentlemen

At the Annual Meeting in 2004 we welcomed the conclusion of the process whereby eight countries of operations became members of the European Union. Today, the announcement of the end of further operations by the EBRD in the Czech Republic is a recognition both of the scale of the efforts made since by those countries and of the decisive and ongoing impact of the support of the EBRD to the transition of those economies towards a market economy.

That process, by continuing, will enable the Bank to have available more of the resources and expertise necessary to step up its activities on behalf of other countries of operations. In that connection, we commend the manner in which the Bank successfully embarked on its strategy of redirecting resources towards the countries of eastern and southern Europe, thus demonstrating its great adaptability.

Mr President  
Ladies and Gentlemen

Since our Meeting in 2007, the world economy has been subjected simultaneously to three major shocks:

- a financial crisis that began in summer 2007 the impact of which will continue to be felt
- an upsurge in the price of oil which is continuing
- and a world food crisis which has led to a spectacular increase in the price of cereals, and to riots in several developing countries.

As a major actor in the region, the EBRD is of course expected to innovate, to adapt to new requirements and, together with other international financial institutions, to provide responses and solutions to meet such crises.

In that context, it is undeniable that the overriding importance attached for many years by the EBRD to economic reforms and to issues related to the reinforcement of financial systems, energy efficiency and the development of the agricultural industry in its intervention strategy, puts it in a good position to make a significant contribution to alleviating the pressures, in particular the inflationary pressures, which are currently affecting the economies of the region.

To that end, the Bank should continue its support for economic reforms, the development of the private sector and projects to promote better agricultural yields and high energy efficiency.

The development of the financial sector warrants increased attention by the EBRD because of its acknowledged impact on growth. In that connection, I should like to commend the operations for the securitisation of advances in local currency made by the Bank which, in a context of rising spreads at the international level, provide a

means both of safeguarding the enterprises being financed against currency risks and of contributing to the maturation of domestic bond markets thereby making it possible to offer alternative sources of financing.

Mr President  
Ladies and Gentlemen

The EBRD is now in its seventeenth year of activity and has a solid record of transition, positive operational and financial results and impressive expertise which complements the contributions by other multilateral development institutions. It has become the main investor in the region with unique experience in giving support for transition towards a market economy and in the promotion of entrepreneurship in all the countries of operations.

We encourage the Bank to continue its neighbourhood policy while strengthening its presence in the countries of operations at the initial or intermediate stage of transition and to develop partnership with the other international financial institutions.

Mr President  
Ladies and Gentlemen

I cannot conclude this statement without repeating my congratulations to President Lemierre for his brilliant contribution, his effectiveness and the relevance of his leadership which have contributed greatly to achieving the mission of the Bank in the region. I should like to announce the support of the Kingdom of Morocco for the candidature of Mr Mirow for the Presidency of the EBRD. I am convinced that Mr Mirow, who has great experience and comprehensive professional and human qualities, will be able to continue the work done by his predecessor and to reinforce the role of the Bank and the relevance of its interventions.

Thank you.