

IMF
WORLD BANK

INTERNATIONAL MONITARY FUND

- What is IMF???
- It is an organization of 186 countries, working to faster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth and reduce poverty



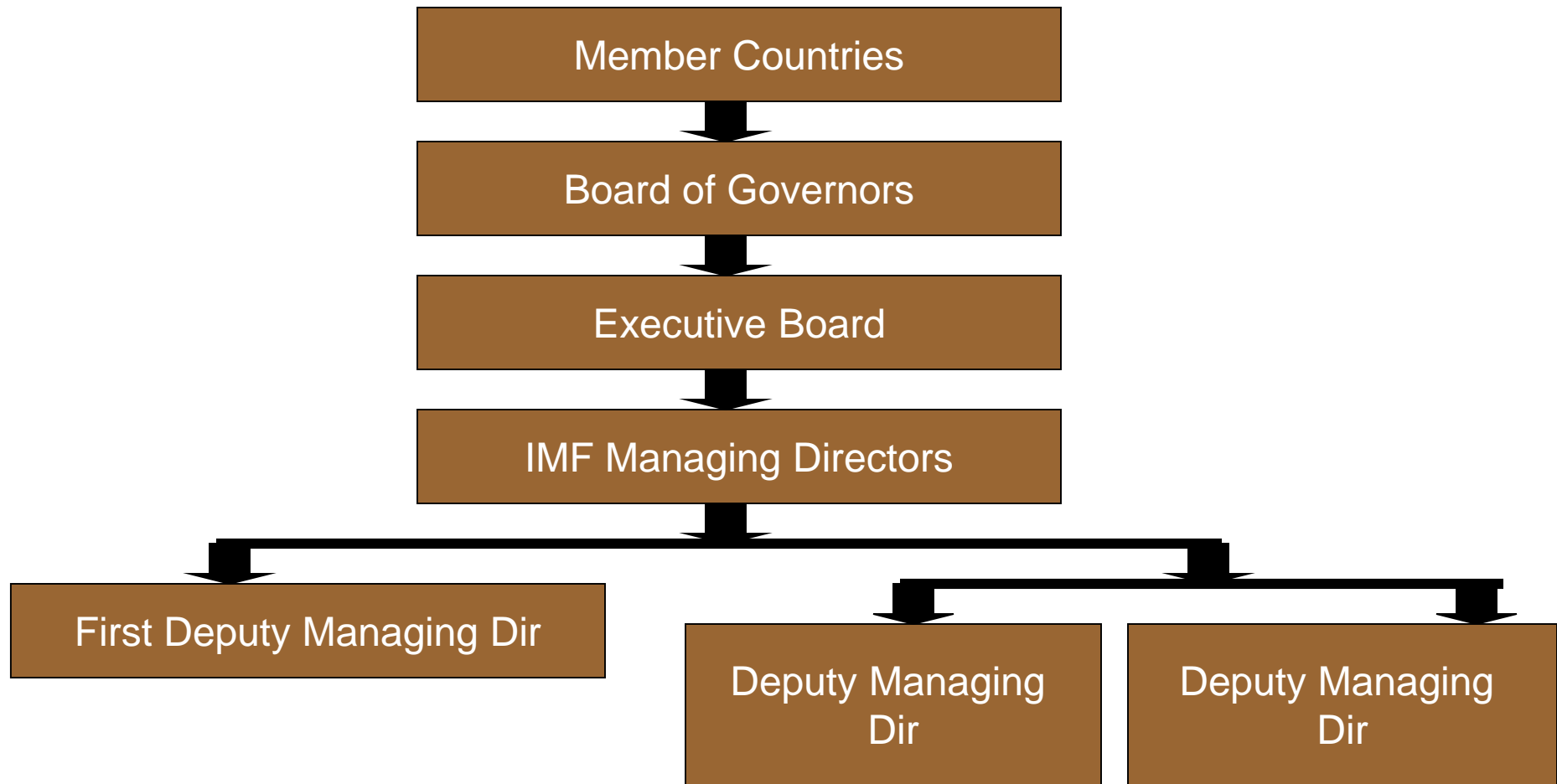
Headquarters in

The International Monetary Fund was created in July 1944, originally with 45 members, with a goal to stabilize exchange rates and assist the reconstruction of the world's international payment system. Countries contributed to a pool which could be borrowed from, on a temporary basis, by countries with payment imbalances. (Condon, 2007)

International Monetary Fund (IMF) Managing Director Dominique Strauss-Kahn (R) briefs journalists on the outcomes of the International Financial Monetary and Financial Committee meeting with Egyptian Finance Minister and International Monetary and Financial Committee (IMFC) Chairman Youssef Boutros-Ghali (M), and IMF First Deputy Managing Director John Lipsky (L); April 25, 2009 at IMF Headquarters in Washington, DC.



Who runs the IMF?



MEMBERSHIP

- Original members: All those countries whose representatives took part in BRETTONWOODS CONFERENCE and who agreed to be the members of the fund prior to 31st December 1945
- Ordinary members: All those who became members subsequently

Objectives of IMF

- International monetary co operation
- To facilitate expansion and balanced growth of international trade
- To promote exchange stability
- Generating higher employment and income
- Abolition of exchange restriction
- AID to members during emergency

Functions of IMF

- Determining rate of exchange by every country
- Fund lending
- Credit tranches
- A central Bank's bank
- Training and technical assistance
- Consultancy role

Achievements of IMF

- International monetary co operation
- Exchange stability
- Checking competitive depreciation
- Increased assistance
- Increase in capital resources
- Expansion of trade

WTO...

- Formed in 1995
- Replaced GATT (General Agreement on Tariffs and Trade) which was formed in 1947
- Initially 23 countries in '47- India one of the founder members
- By 1994 GATT touched 118 countries
- Provided for reduction in tariffs and trade restrictions- 8 rounds of MSNs were held

FUNCTIONS AND ORGANISATION OF WTO

- WTO Agreement came into force from Jan 1, 1995
- Agreement was signed by 104 countries- India became a founder member
- It has 5 functions as set out in Article III
- Highest decision-making body is the Ministerial Conference
- Has to meet at least once every two years

WTO AGREEMENTS

- Agreement on Agriculture
- Agreement on trade in textiles and clothing (Multi-Fibre Arrangement)
- Agreement on market access
- Agreements on TRIMs
- Agreements on TRIPs
- Agreements on services
- Disputes Settlement Body

WORLD BANK

- The World Bank is an international financial institution that provides loans to developing countries for capital programs.
- The World Bank's official goal is the reduction of poverty.
- The World Bank is a lending institution that funds essential infrastructural requirement, globally.
- The World Bank differs from the World Bank Group, in that the World Bank comprises only two institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA)

At a glance

- NAME : WORLD BANK
- H.Q. : WASHINGTON D.C.
- ESTD. : 27 DEC 1945

• Membership	: 188 countries (IBRD)
• CURRENT PRESIDENT	172: countries (IDA) JIM YONG KIM

- STAFF : 10000 IN 100 COUNTRIES
- AUTHORIZED CAPITAL : \$184 BILLION
- FINANCIAL SOURCES : BORROWING ON
INTERNATIONAL

MARKET

History

- Conceived during World War II (July, 1944) at Bretton Woods, New Hampshire.
- 1944 – 1968 : Bank president John McCloy selected France to be first recipient of World Bank aid. The loan was for US\$250 million.
- 1968 – 1980 : The bank concentrated on meeting the basic needs of people in the developing world. The size and number of loans to borrowers was greatly increased as loan targets expanded from infrastructure into social services and other sectors.
- Initially was called the International Bank for Reconstruction and Development (IBRD). Now is called the “World Bank Group

Functions

- The Bank Group uses financial resources and extensive experience to help poor nations reduce poverty, increase economic growth, and improve the quality of life.
- World Bank provides technical and financial assistance to underdeveloped nations for development schemes like building roads, schools, hospitals, etc. The main aim is to eliminate poverty from the world
- Current global challenges include the financial crisis, high food prices, and climate change.

WORKING GROUPS OF WORLD BANK

- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)
- International Centre for Settlement of Investment Disputes (ICSID)