

Statement by the Hon. BISHNU PRASAD PAUDEL,



consolidations to reduce the cost of capital and enhance financial stability. On the other hand, prioritizing the rising fiscal demands for safety nets, climate adaptation, digital transformation, energy security, and defense is essential.

5. The decline in total factor productivity is critical for medium-term growth prospects, mainly due to the inefficient allocation of capital and labor within sectors and countries. There is considerable optimism that artificial intelligence will drive significant productivity improvements, but it also carries a high risk of severe disruptions in labor and financial markets. Rising geoeconomic fragmentation and increased trade restrictions also hinder medium-term growth prospects. Consequently, this trend undermines global cooperation and multilateralism.
6. Significant global investments are essential for a sustainable and climate-resilient future. Reducing emissions can go hand in hand with economic growth, as demonstrated in recent decades when growth has become much less emissions-intensive. Robust collaboration for climate change adaptation is crucial for resilient and sustainable development.

Mr. Chairman,

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technological resources will be essential to achieve tangible results. T



22. Finally, I express my gratitude for the financial and technical support from the World Bank Group and the IMF, which have been instrumental in Nepal's socio-economic development. On behalf of the Government of Nepal and myself, I sincerely thank the Bank and Fund for their ongoing engagement with Nepal. I look forward to a more strengthened cooperation to pursue our national goal of prosperity and happiness.