

The Economic Club of New York

David R. Malpass
President, World Bank Group

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Moderator: Steve Forbes
Chairman and Editor-in-Chief
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Introduction

Vice Chairman Michael O’Neill

It’s my pleasure to now introduce our guest this afternoon – David Malpass, President of the World Bank and a former board member of the Economic Club. David was selected as 13th President of the World Bank Group by its Board of Executive Directors on April 5, 2019. And his five-year term began on April 9.

Previously, David served as Under Secretary of the Treasury for International Affairs. Before joining the U.S. Treasury, he was an international economist and a founder of a macroeconomics research firm. As chief economist at Bear Stearns, he oversaw the production of economic, financial analysis on countries around the world.

Earlier, David served as U.S. Deputy Assistant Secretary of the Treasury for Developing Nations and as Deputy Assistant Secretary of State for Latin American Economic Affairs. He also served as Senior Analyst for Taxes and Trade at the U.S. Senate Budget Committee and as a Staff Director of the Joint Economic Committee of the U.S. Congress.

He has served on boards of the Council of the Americas, National Committee on U.S.-China Relations, the Manhattan Institute, the Gary Klinsky Children’s Centers, as well as various for-profit entities. David graduated with a bachelor’s degree from Colorado College and earned an

MBA at the University of Denver.

The format today is a conversation and we are fortunate to have Chairman and Editor-in-Chief of Forbes Media, Steve Forbes, conducting the interview. These gentlemen are not strangers to each other. David authored a long-running column in Forbes magazine. As a reminder, this conversation is on the record and being carried live. Now, I'd like to invite both of you gentlemen to come up on the stage and begin what I'm sure will be a very interesting program.

(Applause)

Conversation with David R. Malpass, President, World Bank Group

STEVE FORBES: Well, thank you very much, Mike. And thank all of you for coming here today. Being of Scottish descent, I'm especially grateful for having a free lunch, and I'll leave it at that. But we are very honored to have David here today. As Mike indicated, he is now heading a little institution called the World Bank. But before we get to the bank and what it's doing and going to be doing, I have to ask David for his – since he's been involved with economics his whole career and wrote those scintillating wisdom-filled columns for Forbes – what he sees as the global outlook. As you know, the other day the World Bank reduced its forecast for global growth, I think from 2.9% to 2.6%. And Europe is especially slowing down, which is going to have a disproportionate impact on a lot of developing countries. So, David, could you just quickly walk us through as you see the world unfolding and maybe a reason or two why it seems

to be slowing. What's standing in the way when there's so much entrepreneurial energy out there?

DAVID R. MALPASS: Sure. Steve, it's very nice to see you and very nice to see lots of friends in the audience and to be in New York and to be with my lovely wife, who was introduced by CNBC this morning as the brains of the family, which most of you know her and realize that that's CNBC speaking the truth. Right? Bill Rhodes saw it and thought right on. So, thanks all for coming. So, Steve, the slowdown is noticeable, originating in Europe. So the World Bank does a periodic update of forecasts so this was in the context of that. One added thing that came out of that work is the sluggishness of investment in developing countries. So we have, in a way, two or three, there's multiple challenges facing the developing world right now. One is the slowdown in developed countries and, particularly, in Europe. The U.S. is continuing to grow pretty well. China is growing pretty well. And Europe slower in that way, especially on Africa. Then you have the problem of sluggish investment. And there's also the problem or the challenge of demographics in the developing countries. Some of them are really having a lot of population growth so slow economic growth is an added problem. And then add to that...

STEVE FORBES: Especially when these countries are growing barely 1% in population. In some areas, 3%, 4%.

DAVID R. MALPASS: Exactly. Big challenge. And I'll mention one more. The private sector is

not being robust enough. So one of the things we're working on at the World Bank is to try to connect analysis or data on the private sectors in individual countries with the policy reforms that might allow them to grow faster.

STEVE FORBES: The history of the World Bank, as we all know, came out of World War II. It was one of several institutions created to prevent a return to the horrors of the 30s and 40s beggar-thy-neighbor policies, which led to the war. One, of course, was the IMF, which was originally supposed to finance countries that had balance of payments problems so you didn't get competitive devaluations. You had the Bretton Woods financial system and you had the World Bank, which was supposed to finance reconstruction. The Marshall Plan sort of took that over in Europe, but then they focused on developing countries. But, over the years the way the bank has approached things was once primarily infrastructure, then it took on education, disease, water, environment. And your predecessor defined the World Bank's goals as two-fold. He said to end extreme poverty, which the bank defines at \$1.90 a day, and to promote shared prosperity, i.e. increase incomes of the poorest countries, of the poorest incomes, poorest people in the poor countries by 40%. And those seem to be very noteworthy goals. But you hit on something very important. And that is how do you achieve that? The bank has – depending on how you calculate it – \$500 billion, \$700 billion in assets, which is – not to belittle billions - but it's a drop in the bucket compared to the investment capital creation needed in these countries. And one of the things the bank has done, and you should look at this online, is they come out with a survey each year called, Doing Business. And it surveys about 190 economies around the world using 11

different criteria such as starting a business, enforcing contracts, how good are they at protecting minority rights of shareholders, construction permits, and the like. And what is striking is so many of these countries don't do well on it. Other countries take that very seriously and try to improve, making it easy to start a legal business. So, how do you create an environment where the private sector will feel that capital is welcome and that they can trust that if they put capital in there and they're not cozy with the government, they can still prosper. Easy question.

DAVID R. MALPASS: All good points. Well, let me start with poverty and the idea of our core mission. So, the World Bank is heavily involved in wanting people to do well, and especially the poorest people in the world. This actually dates back a long time. Robert McNamara even was saying in order for the bank and for humanity to do well by each other, we have to have an involvement with poverty. And that means in individual countries, even in countries like India that are beginning to lift up, there are portions of the country that are in deep poverty. So they're making progress. Bangladesh has made progress. If we look into Africa, not enough countries making progress on that. So that then turns to the policies. The Doing Business Report that the bank does, it comes out annually, and so, you know, they've been in the stage of collecting data from countries and by, I guess, the publication date is September or October for the new report. What I'd like countries to do is not so much focus on their overall ranking because then that becomes a complaint on how did you get this number or...

STEVE FORBES: Or how do you weigh things? For instance, the U.S., in the last survey, in

terms of starting a business, we're one of the worst in the developed world, 53rd. But then you read the fine print. It's New York City, not the rest of the country.

DAVID R. MALPASS: So, often, for even for big countries, we are only surveying two cities and in the case of the U.S. it's New York and Los Angeles, which are maybe not classic representation cities of what's going on elsewhere in the country. So, the point I wanted to make is if you just look into the actual indicators themselves, it's very important, how long does it take you to start a business? If you started today, when could you get your number or your permission from the government? And so, it ranges widely over the world, and it's one indicator of an ability to get ahead. If it takes three days, that's not bad. If it takes three weeks or three months, you've forgotten what the idea was that you started the business about. And so the indicators are, now, when I meet with world leaders, they raise, why is our country not higher on the overall? And we're trying to focus people very much on the individual, and that gets to your third point of, as you think about a business climate in a country, it gets pretty granular pretty fast. Do they have a bankruptcy code? Do they have a small business claims procedure that can get you out of the logjam in the court system? Are there rules that permit women to own property? Can girls go to school? You know, all of the things that are critical in getting a talented labor force that can interact with profit-making entities constructively. And so that's a lot of what the World Bank does. It tries to keep, keep track of and help countries figure a way forward. Even, if I may, turning to China, which is in the news a lot, one of the things China did, I think, very well in the 90s was liberalize prices so that people could charge prices. And in the early phases, that meant

farmers could raise prices, which, you know, helps the farmers but the people in the cities initially don't want that. But then very quickly they figured out they could get more supply and so each area that they liberalized month by month began to grow. And so having that experience shared in other parts of the world is something that the bank tries to do.

STEVE FORBES: Peter Bauer, who later became Lord Bauer, described how in parts of Africa they just absolutely wrecked a lot of their agricultural sector with quota controls, price controls, all to appeal to urban citizens but hurting the overall economy. What kind of pressure can you realistically put on these countries? Let's take Pakistan. You recently approved, the bank, three loans, I think \$918 million for various purposes. They're in desperate shape. They have a new prime minister, Imran Khan, great sports figure and he's suddenly discovering the country is broke. How do you put pressure? And Pakistan ranks very poorly on starting a business. The two countries that do well, one of the best ones is New Zealand and Denmark is right up there, where in a matter of an hour or two, just going online, it's done. You don't have to worry about bribes being extracted by bureaucrats or anything else. Boom, boom, boom. Are there ways in which you can nudge without being called interfering with our sovereign blah, blah, blah?

DAVID R. MALPASS: More than nudge. So, if you can focus on what would help the country, you can make that process a part of the loan in two different ways. One is to have a loan where it's a condition of the loan. And so there can be a pre-condition that certain things are liberalized, either laws that are changed or passed, before the loan becomes effective. And another way that

the bank does is called pay for results. And so there's even an acronym, PforR, which means as you...

STEVE FORBES: No organization is complete without acronyms.

DAVID R. MALPASS: No. World Bank has a lot of them. And so you go through and you can pay as the progress is made during the life of the loan. So it's not so much an issue of how do you get leverage. It's more an issue of can the country actually change the key things. You know, there's usually, there's often vested interests that want to keep it the old way. And so you need political leadership, enough strength within the government or the policymakers to make hard changes. A lot of times they're granular. So, in Kenya, we just made a loan of \$750 million so that's a lot – that's a sizable loan – with the condition that the fertilizer sector begin a liberalization process so that small farmers could choose which kind of inputs. They've been in a condition where a lot of the small farmers needed to go to the state co-op store in order to buy their materials. Well, you know how that works. The store doesn't have the things that the farmer actually wants in terms of the type of soil. It varies by soil, by humidity, by the type of seeds that they're using. And so there wasn't a match. So, in that way you can get more productivity. But this goes to the bigger issue of the bank trying to have, and what I'm trying to do with the bank, to have a very clear focus on countries doing better and especially for the bottom half of the, you know, for the median income of the country, to have it go up.

STEVE FORBES: It's amazing how something seemingly intangible like that, how you label things, how you determine where assets go, by having that clear accountability, what is happening with each country. That seems strange, that's something rather new, that kind of laser-like focus.

DAVID R. MALPASS: Maybe. So we have offices in 136 countries. They do a written strategy of what would help the country move forward. And so then that can be looked at, evaluated, and say, okay, if this strategy is done, which people, meaning will the middle of the income spectrum and the people at the bottom benefit from this kind of...if what you're proposing is electricity prices go up a lot to help balance the fiscal deficit, how is that really going to help the people that need to have some electricity within their system? And if not, then how do we change it?

STEVE FORBES: That kind of granular approach would seem to be needed. One of the criticisms of the sister organization of the World Bank, the IMF, is that they go in with really a cookie cutter, and the formula is the same everywhere and they don't take cognizant of particular conditions where you might want to fine-tune some of these things to get a better final result.

DAVID R. MALPASS: We work closely with the IMF and we work on trying to marry-up the idea that the programs working together will end up with a good result for the people. So that's a dialogue that goes on every day really.

STEVE FORBES: One of the criticisms in the past of the World Bank, which, I guess, is prone to any organization, cronyism. You do this project; I'll approve that project. And it makes it very hard to get transparency and accountability. Just one example on transparency, there was a story that twelve states in Nigeria, which got a \$750 million loan to encourage transparency, are refusing to publish their 2019 budgets. How do you...

DAVID R. MALPASS: There are some things that are hard to fix or hard to walk back from, and so then you can make your evaluation of whether you want to continue in the same relationship with that. So, there are cases where you step a little away.

STEVE FORBES: So by not making the loan all at once, you can say, well, you haven't met this condition, the rest of the loan is not going to be forthcoming.

DAVID R. MALPASS: Now, I don't know in the case that you're raising whether that can be done. But clearly in Nigeria, a huge number of people, many in poverty and in pretty desperate circumstances needing better policies. So we would like to have a more transparent system in terms of their budgeting. Now, lots of parts of the world, you know, aren't ready to take that step yet and so you can push and push.

STEVE FORBES: One of the things you've emphasized is accountability, metrics. You recently approved a \$500 million loan to Morocco for primary education and the like. Walk us just

through the things the bank normally does to make sure the money just isn't used to bloat the bureaucracy, to make sure that it goes to the people. How do you measure success? It's nice to have the loan, but is it working?

DAVID R. MALPASS: Yes, that's a great core issue of what I'm trying to do and what the bank is trying to do. So there's parts of the bank that collect a lot of data and human capital is recognized as a critical part of success for a lot of these countries. And that means education. That means education of girls as well as boys. And it doesn't, as the data is finding out, it's not necessarily connected to how much you spend. In fact, it's often not all that well correlated with your spending, but with how you get teachers to the classroom, how do you get students to the classroom, and do they have some materials? And so I think a lot more can be done in terms of internet availability, but in a lot of places there's no electricity. And so finding that mix of how do you get the materials with a teacher, with a student, in the right spot, or at least a weekly check-in from the teacher. So what the bank is doing in a lot of places is this pay for results that if the absenteeism goes down of teachers, there's more money that can come in. And the same very actively on students, if the students show up in the classroom, or I mean are allowed to come to the classroom, then their parents get money. And you can have a system of actual cash transfers that alleviates poverty but tries to encourage some kind of good outcome.

STEVE FORBES: One of the things the bank has been doing is working with NGOs, also the Gates Foundation which has done remarkable work in places like Africa and parts of Asia. What

more do you think you'll do in that area? And then get to the core question: how can the bank work with the private sector to say it's okay to make an investment here? I know you have, one of your organizations does some guarantees. What more can be done to open those loose gates?

DAVID R. MALPASS: Right. So we welcome working with civil society organizations or non-governmental organizations and they are constructive in lots of the areas that we work in. So I'm glad you mentioned the Gates Foundation. For example, in Nigeria, we try to have some work, and when it works, it can really help their cases where they can buy and provide some of the medical supplies and then the bank can work with their government to insist on them being delivered to people in various states. Now that gets into transparency. There's lots of problems in that chain but working together you can make some progress on that. As far as in the private sector, so the World Bank has four main arms. Sorry to get into acronyms, but there's the World Bank Group, which is IBRD and IDA which are sizable, the International Finance Corporation, which can lend and make equity investments directly into the private sector. So that money doesn't have to, so it's got 3,600 people looking for private sector investments around the world that will make an impact on people either through poverty, through profit. And then MIGA, I think you were referring to the Multilateral Investment Guarantee Agency, which I was involved in, 1987, '88, at the end of the Reagan administration, in its involvement. It's a much smaller part of the World Bank, but it can guarantee political risk, which then allows countries that are otherwise too risky for the, so there are times when the private sector has to worry about will they be allowed to take their money out. And so if the bank has a relationship with the country,

you can analyze it and provide a guarantee on that and that then mobilizes the investment from the private sector. One of the things that I'm trying to do is have the various parts of the bank work together. We've changed, for example, it used to be that IFC would wait to hear about a deal or somebody that wanted a transaction, much like an investment banker would do, and now what we're trying to do is look at what would benefit the private sector environment and then try to see if there could be private sector investments that would move that along. So actually almost like anticipating where there could be some private sector activity within a country.

STEVE FORBES: You mentioned China earlier. And what people sometimes overlook, in the last 20 years and you alluded to it, people living in dire poverty in the world has dropped by one billion, averaging 137,000 a day. It doesn't get headlines but a remarkable move forward. A big chunk obviously China. You mentioned India, Bangladesh. In China itself, and particularly in India, obviously trade is a big issue today. But you make the point, and we take it, we don't realize it here in the U.S. where we have this continental economy, you don't have tariffs going from New Jersey to New York. But in these countries, like Medieval France, they have state border taxes. Walk us through on what you're doing to try to reduce those which have a real impetus for growth.

DAVID R. MALPASS: Sure. If you think about profit or economic development, it often is someone in a town trading with someone else in that same town or two towns being able to connect and trade things where there's a competitive comparative advantage in the one town

versus the other. And so we sometimes lump trade into cross-border trade, but the huge, biggest chunk of trade is within borders. And that gets to the rule of law. That gets to a court system that can adjudicate. It gets to some kind of standards so that you have some comparability across a country. And, you know, a challenge that's going on in the world is the spectrum – different countries use different parts of the electromagnetic spectrum. So can there be standards or standardization or techniques because then that facilitates. You mentioned Bill Gates earlier. One of his achievements on personal computers was the idea of standardizing, that if it were possible that people could use the same kind of software, that would begin to invigorate commerce. So those are all things that we can look at within. Some of the countries that we work in are big enough by themselves to have a big internal market. And then one other point I'll mention is trade facilitation, which is rather than think about big trade agreements, a lot of times the challenge is just getting across the border because they check the paperwork on one side and then the other country checks the paperwork on the other side so you've spent four hours on the one and then four hours on the other, or it might be two days on each side. And by then your product is less valuable. And so if you can connect that up, and so we're working on that in Central America. We're working on it in the Sahel, working on it in parts of Africa, across borders. And as you think about it, at the core of Brexit, a Brexit challenge is the U.K. – as part of the European Union – has been able to feed its goods into Europe and vice versa through the Channel without checking, without slowing it down. And so that became a very important part of just in time kinds of economic activity. So one of the challenges is how to speed border transactions.

STEVE FORBES: That's one of the criteria you have on doing business is imports and exports, how difficult that is, moving stuff across borders.

DAVID R. MALPASS: Yes, Egypt, for example, can take 16 days to clear something through Customs. I was there at the end of April and so we are working to try to get them to recognize that as a critical impediment to their economic growth. Now you can imagine then that there are entities that kind of prefer it to be slow because then they have ways to move their own products along. So you want to get governments that really want big economic advances.

STEVE FORBES: Just to go back a second so people fully understand, particular countries, the states or the provinces within those countries have border taxes within the country, like a tariff.

DAVID R. MALPASS: India did that and they are, so India up until a year or two ago had substantial taxes within, where you charged a different sales tax and you had border crossings at the state borders. Prime Minister Modi has done a major change that lowered those and it seems to be working well. It's not easy to get people to stop charging those differential tariffs. Even in Europe, you mentioned Denmark earlier, so they have a 25% VAT tax. And they have a very large, you know, over doubling the price of a car if you buy it in Denmark. So then how do, that's even within an existing economic union. So Europe finding a way to reduce some of those barriers would help with this growth. You know one of the core things going on in the global economy is the slowdown of Continental Europe at a time when they are aging. You know they

really need to have a lot of growth in order to save up money for an aging society. And part of that is just tax rates internally, the internal tax rates are too high to allow people to facilitate transactions.

STEVE FORBES: It's amazing, we think of, the EU was open like the U.S., the Continental U.S. You point out in many respects it isn't. So, again on structural changes, let's look at Africa. You've had great success in other parts of the world, but you've made a point, the Middle East, North Africa, certain parts of the world that you want to really focus on. Walk us through those and why you think there have been barriers in the past and how can you work around those in the future.

DAVID R. MALPASS: So I'd like to see all people do well and so then we can try to focus on where there are opportunities. And that often comes from a leader who is strong, who indicates an interest in having their people do well and then begins to take steps in that direction. So we're working with lots, I don't know if I want to pick or single out particular regions. In my mind, they're all important. Some of our recent sizable loans, so one way to evaluate it is that way. I've mentioned some. So we've lent more, let's do it that way, we've lent more to...

STEVE FORBES: He's learning...

DAVID R. MALPASS: ...Kenya and Ethiopia and Egypt than we have in recent months to South

Africa, to Nigeria, to Ukraine. I'd like to see Ukraine do well. They have a new president, Zelensky, but they have still restrictions or challenges facing their banking industry, their fertilizer industry, their agricultural production, all of which would be good if they could change. So we're working almost daily on the fertilizer problem. You know that sounds like a small problem, but remember plants basically take in nitrogen and then they grow and they create food for people, they create export crops, and so that becomes an important step in their advance.

STEVE FORBES: One of the initiatives – the bank has been concerned with this before, but you seem to want to put an extra push on it – something you touched on earlier – and that is women. Obviously have the population but remarkably in many countries it is still illegal for a woman to own property, illegal for a woman to make contracts. Talking about granularity, Melinda Gates talks about contraceptives. Well, there are good ones and there are not so good ones. And if you're on the ground, you're going to – I'm not talking about abortion, this is just contraceptives – it can cause real trouble. And electricity amazingly is particularly liberating for women and hauling water long distances. So walk us through how you think you can push this forward both in the legal sense but also how you encourage the changing of customs, which makes it a reality.

DAVID R. MALPASS: Information helps, and data, so we do a report called Women, Business and the Law, which tries to do a little bit like, it's not the same but the way the Doing Business Report looks at steps to create businesses, this looks at the environment for women in a given country. So one is just finding out and encouraging leaders to move forward. There is some

movement in the Middle East in this regard to allow women to have more participation within their economy. And so we can encourage that explicitly but also show the economic benefits of empowering women within. It's not infrequent that the woman is doing more of the work. And if she were able to hold more of the money, that would begin to compound itself a little bit, either through better nutrition for the family. A lot of this is getting enough of the money to stay within the family unit that they can have better, have better nutrition and gains that way. So we have explicit programs that are meant to help finance women that are starting a business. Because in the old boy school, often the bank would only lend to men and so breaking down that barrier to get them used to lending to women who are starting a business is something that you can incentivize and actually make it a condition of, I'll make you a loan if you identify new businesses that have been created that are women-run or women-inspired. And so that becomes a pretty powerful tool that's making, I think, good gains, but lots more yet to be done.

STEVE FORBES: And again having people on the field is critical. Melinda Gates, in her new book, recounts about agriculture where women do most of the work in many parts of the world. And everyone at the Foundation thought, great to increase crop yields and all that good stuff. And she made the point, you've got to talk to the people on the ground. What exactly do they need? And she cites in the book the example of rice. They came up with a new way to increase the yield of rice and they thought that was great, but they didn't talk to the women who do the work. And what they finally got back was, yes, the yields went up, but since the rice was still so low, the stooping still meant they couldn't get an increased yield. And the new rice took longer

to cook, so talk to people. And just as a little aside, the way she got the Gates Foundation to realize you've got to talk to people on the ground more was she co-wrote an article several years ago – I think it was for Science magazine – on the need for that. Not for the audience of Science, but internally in the Gates Foundation. You've got to do these basic things. I want to touch on, before we go, China. We've had some discussion of it, but the Belt and Road Initiative and the criticism of why is China – the second largest economy in the world – still receiving loans from a bank that's supposed to help developing countries? Easy. But you get lunch afterwards.

DAVID R. MALPASS: China made very rapid economic advances so they were borrowing and the World Bank was quite involved in the 90s in the, I suppose starting in the 80s, but in the 90s in some of the advances that China was able to do. There are two examples. One is wastewater treatment in the Pearl River Delta where, you know, that's a hard thing to do from a finance standpoint because you need a big physical investment from the beginning in a Communist system that has been used to providing services for free but not very good services. So, how do you connect more revenue flow with new physical investment? And so the World Bank heavily involved in that and then that allowed China to copy it and do many in that, and make progress on the river. One of the things we're working on now is trying to help or work with China on reducing the amount of plastic that's going into their rivers because that then feeds into ocean and creates a real environmental problem. That's something that I think China is oriented to doing. So the point, the point I was heading toward is that the relationship with China is evolving as their economic circumstances change. Their per capita income went from \$1,000 per person to

\$9,000 per person. So during that time the bank's lending peaked and is coming down and it will continue to come down, and we discussed that with China. China says, okay, but we want you to still be engaged. So smaller loans on a different kind of product line, more oriented toward global goods. China is producing things like pollution that blows toward their neighbors and that can be something that we can work together. Also, more of the relationship will be toward fee for service kinds of consulting that the bank does, and still a continued substantial focus for the IFC, the International Finance Corporation, in private businesses within China helping them move, you know, grow or find niches within the Chinese economy. One thing that the bank has been successful in is in agriculture within China where there had been practices that could be improved, meaning irrigation practices for example. And that's something that China also has an interest in sharing in other parts of the world, meaning its experience, as we discussed, pulling people out of poverty takes a combination of a lot of circumstances. They've had success in that and so that can be used elsewhere. So I don't want to minimize the challenge. It's a Communist country with a lot of state-owned enterprises that need to be allowed to compete with each other and also to compete with private sector participants within the economy. And so finding that way for the world to work with a system that's very different, that's a non-market system, is a big challenge for the world. So I don't want to minimize or reduce that. That's one of the things that I'm, I was there two weeks ago, good meetings with Chinese leaders on the evolution of the bank's relationship with them.

STEVE FORBES: David, we've run out of time, but I want to thank the Economic Club of New

York for the forum. Thank you for your time, and now you get rewarded with food. (Applause)

DAVID R. MALPASS: Thank you Steve.

(Applause)

VICE CHAIRMAN MICHAEL O'NEILL: Thank you, David, for the insights and thanks, Steve, for leading the forum. Well, before you dig in, I have a commercial here. We've officially hit the halfway mark of our series this year. I hope you've enjoyed the Club's programs, which I think have been particularly outstanding this year. We look forward to coming back with more pertinent topics as well as some distinguished speakers. For a preview of what's to come, we currently have on the calendar, on the 18th of September, Steve Schwarzman from the Blackstone Group, Dennis Mullenburg from the Boeing Company. That might well be very interesting at this stage of the...October 7, Ana Patricia Botin from Banco Santander. Brad Garlinghouse from Ripple on October 8. Elena Lytkina Botelho, she's the co-author of The CEO Next Door and a partner in ghSMART. And on December 10, Larry Fink from BlackRock. So we hope to see you all there. Thank you for coming and enjoy your lunch. (Applause)