

38th ADB Annual Meeting

**May 5, 2005
Istanbul, Turkey**

**Remarks by
Deputy Prime Minister & Minister of Finance and
Economy
Republic of Korea**

Honorable ADB President Kuroda,
Honorable Chairman Ibrahim H. anakci,
Distinguished Representatives of ADB Member Countries,
ADB Board Members and excellent Staff and
Ladies and Gentlemen,

I would like to first congratulate President Kuroda on his election as the new president and we look forward to seeing ADB emerge as a stronger and more dynamic institution under his excellent leadership and forward-looking vision.

I would also like to thank the people and the government of Turkey for their warm hospitality and splendid arrangements for this year's annual meeting. As the first of its kind since the establishment of diplomatic ties between two countries, the recent state visit of President Roh to Turkey has served to further strengthen our friendly relationship. Turkey has been a close ally of Korea and the great similarities in our cultural backgrounds will draw the two countries even closer.

Before I start my remarks as Governor of Korea, let me express my sincere condolences to Tsunami and earthquake devastated countries and their people.

Ladies and Gentlemen,

Last year Asian developing countries recorded a growth rate of 7.3 percent, the highest since the '97 financial crisis. But still there are various risks looming ahead, including economic uncertainties, natural

disasters and communicable diseases.

Against this backdrop, I would like to take this occasion to propose a blueprint for Asia and the Pacific to ensure its sustainable growth.

First of all, let us shape an '**Asia and the Pacific with Sustainable Growth Potential.**'

MDGs are the most important and pressing issue for all of us. Despite the recent high economic growth, Asia is still home to more than half of the world's poor and one out of every four Asians live on less than a dollar a day. This sober reality requires all of us to redouble our efforts in pursuing 'Pro-poor Sustainable Economic Growth.'

Having said this, ADB should focus more on microfinance for the low-income bracket as well as on technical assistance for SMEs in the region. At the same time, more efforts should be centered on inclusive social development and good governance.

Secondly, let us shape an '**Asia and the Pacific with an Integrated Region & Markets.**'

Sub regional cooperative initiatives pursued by ADB, like the GMS (Greater Mekong Subregion), SASEC (South Asia Subregional Economic Cooperation) and CAREC (Central Asian Republic Economic Cooperation) have greatly contributed to the development and poverty reduction through focused infrastructure investments. I

believe these kinds of initiatives should be expanded further to intensify regional cooperation efforts.

In addition, economic integration like FTAs should be anchored on mutual cooperation rather than competition. And we should pursue them in order to increase intra-regional trade and investment and to realign the industrial paradigm. By doing so, it would ultimately be conducive to expanding our growth potential. Furthermore, the currently brisk activities of regional monetary and financial cooperation should also be reinforced to expedite the process.

In this light, we look forward to the proactive role of the ADB in research studies to promote integration and financial cooperation in the region.

Thirdly, let us shape an **'Asia and the Pacific with a Narrowed Digital Divide.'**

Given that most of the Asia-Pacific region, except East Asia, has lower e-government indices than the global average, the international community should strengthen its support to close the digital divide in the region. ADB should take advantage of its unique position to take the lead in building E-Asia, thereby creating a transparent and level playing field for all.

Ladies and Gentlemen,

As the Governor for Korea, I would like to touch upon how Korea will take part in pursuing this goal.

First of all, as was the case with the 9th ADF(ADF-IX), Korea will continue to augment its role in future ADF replenishments.

In addition, Korea will pursue regional economic integration including FTAs and financial cooperation initiatives so that the beneficial outcomes are permeated throughout the region. While we welcome the ADB's decision to set up OREI, we also suggest that the ADB expand its perspective to Northeast Asia in pursuing regional economic cooperation.

Furthermore, Korea will, in consultation with the ADB, initiate an 'E-Asia Fund' and a 'Knowledge Partnership Fund,' as we proposed at the last Annual Meeting. I believe these two funds each in the amount of 10 million dollars, will ultimately contribute to achieving MDGs. Also these two funds will help enhance regional economic development and quality of life by transferring knowledge and providing technical assistance.

Lastly, I ask ADB to positively consider its support to nonmember country in the region, namely North Korea. Through education and training projects, I believe we could and should give the necessary attention and encouragement to this country to be well prepared before being admitted to the ADB.

Before concluding my remarks, I wish ADB for the prosper under the leadership of President Kuroda by firmly building on his three principles; Relevance, Responsiveness and Results

Thank you for your attention.