

**UZBEKISTAN**  
**RUSTAM SADIKOVICH AZIMOV, Governor**

Last year, which was marked by the ending of the century and the beginning of the new millenium for the Asian Development Bank (ADB), was the year of opening new horizons for ADB to implement its esteemed mandate in the Asian region as a whole.

The Uzbek delegation shares the main approaches stated by President Chino yesterday about the necessity of strengthening the fight against poverty, with three pillars providing success in this special mandate and five principles of ADB's activity in the years to come.

We also believe that the creation of the professional education system is the key instrument in fighting against poverty in developing member countries (DMCs) and in our view ADB should expand its activities in this area.

Speaking of the Central Asian region, the countries of which have just recently become members of ADB, we are of the view that the highest priority directions in ADB's activity could be as follows:

1. **Rational usage of water resources.** This can be achieved through improvements in the systems of irrigation and drainage and by introducing the new efficient water-saving technologies.
2. **Modernization and reconstruction of power generating systems.** This can be achieved through the installation in energy enterprises of less energy consuming and more environmentally viable technologies, to ensure that the growing needs of regional economies for energy resources are met.
3. **Environmental problems.** Efforts aimed at overcoming environmental problems, especially in the Aral Sea zone, in our opinion require more active ADB participation. This is because negative consequences of an Aral ecological disaster may have negative effects on all countries of the Eurasian continent, and because the population of the Aral Sea region is suffering from extreme droughts for the second consecutive year. Thus, the zone needs a systematic program of social protection and creating new job opportunities.
4. **Transport and communications.** ADB may also pay more attention to the creation of interregional transport and telecommunication corridors. Countries of Central Asia, including Uzbekistan, joined ADB considering it as an institute that would promote their integration with the dynamically developing economies of Southeast Asia with an aim of having the free exchange of goods, information, technologies, and investments. If, for example, under the guidance of ADB, a project aimed at joining by roads and later by railroads the western People's Republic of China (PRC) with eastern Uzbekistan through the Kyrgyz Republic had been completed, then this transport corridor

in fact would in the shortest way integrate the countries of the Asia and Pacific region with European markets.

This project would benefit not only PRC, Kyrgyzstan, Kazakhstan, Turkmenistan, Tajikistan, Azerbaijan, Mongolia, and Uzbekistan but, could also create a unified land transport network and link the countries, through the network, with seaports with all European and Asian countries.

In this direction we see the opportunities for real development of regional cooperation in the broad sense of this word under the flag of ADB.

It is very symbolic in this sense to see another Central Asian country, Turkmenistan, joining ADB, and we sincerely congratulate our Turkmen friends on this very special occasion.

We highly appreciate ADB staff, who make an objective assessment of the pace of macroeconomic reforms, conduct their own analyses, and, with due respect, I would say with an Asian-wise approach, pragmatically assess the process of reforms in DMCs. With no doubt about the fundamental principles of the macroeconomic reform process, we firmly believe that every country must select for itself its own pace and speed of reforms, taking into consideration its real capacities, historical and economic features, culture, mentality, and the level of the nation's readiness for the various stages of the transformation process.

I welcome the statement made by United States (US) Secretary of Treasury Mr. O'Neill when he stressed that "With the right policies, there is no good reason why differences between living standards in adjacent countries need to be permanent." The pace and instruments for implementing reforms selected by Uzbekistan serve as good evidence of the effectiveness of conducting a pragmatic policy of market reforms, which made it possible to be the first among the commonwealth of independent states to achieve the level of GDP established prior to 1991.

It should also be noted that sustainable growth and macroeconomic stability has been experienced for the last 6 years, the process of implementing structural reforms is ongoing, in particular the process of privatization that allowed the nongovernment sector to grow to 70 percent of GDP, and the share in GDP of small- and medium-sized enterprises to increase from 1 percent to 31 percent.

In this context, we are confident that the well-balanced and flexible policy of ADB, which attentively takes into account the unique conditions and situation of each separate Asian country, should become the most bright color in the rainbow of globalization processes.

The President of Uzbekistan, Islam Karimov, selected the following to be his main thrust: "Our children should be stronger, more intelligent, wiser and certainly much happier than we are," and we firmly believe that in the 21st century, ADB, under the wise

and dynamic leadership of President Chino, will be the key catalyst of economic development and growth in the prosperity of the coming generations of our continent. In conclusion, I would like to express my sincere gratitude to the US government, administration of Hawaii State, and the people of Honolulu for their gracious hospitality, excellent organization of annual meeting, and spirit of Aloha.