



MALDIVES

ISMAIL SHAFEEU, Governor

At a time of great challenge to the world business community, and while most member countries are revisiting their strategies for economic growth, it is appropriate that we are meeting in this magnificent city of Shanghai. The remarkable growth and development the People's Republic of China has demonstrated in the recent past is extremely encouraging; and there are many lessons to be learned from the successes of this country.

My delegation wishes to convey its appreciation to the Government and people of the People's Republic of China for hosting this 35th Annual Meeting of the Asian Development Bank (ADB) and for the excellent hospitality that is being accorded to the participants. I would like to congratulate President Chino and his able team at ADB for a successful year of operations in 2002 and welcome Portugal as the newest member of ADB.

The year 2001 will be remembered as a year of great challenge. Eight months after the terrorist attacks on the World Trade Center in New York, most economies are showing signs of recovery, though not as robust as we would like it to be. Smaller and more vulnerable economies like the Maldives were severely hit, and we need to do more to be prepared for external shocks that are often beyond our control.

The Maldives, for its part, has embarked on an aggressive program of mainstreaming the private sector in the country's development process. I am pleased to report to my fellow governors and distinguished participants that some key milestones have been reached in this regard.

Financial sector reform in the Maldives has resulted in a new international bank and a leasing company being established over the course of 2001 and this year. On March 26, the Government signed the Convention of the Multilateral Investment Guarantee Agency (MIGA). In addition, the fisheries and information technology sectors have been opened up for private sector participation. And most recently, the Parliament has enacted a bill that would bring about positive reform in the sale and purchase of real estate. I am pleased to note that ADB has commenced dialogue with the Maldives in promoting private sector participation and encouraging private capital flows for investment.

The efforts of ADB during 2001 in implementing the poverty reduction strategy have been recognized by the Maldives, and on March 12 this year the Poverty Reduction Partnership Agreement between ADB and the Maldives was signed. His Excellency, President Maumoon Abdul Gayoom, and his Government are very appreciative of President Chino, who took time from his extremely busy schedule and visited the Maldives to sign the Poverty Partnership Agreement on behalf of ADB. It was indeed an honor for me personally and for my colleagues to receive President Chino and his team in the Maldives and hope that they will find another opportunity to visit us again.

The 6th National Development Plan for the Maldives is being rolled out. The plan has a program approach, and calls for extensive participation by the private sector, nongovernment organizations, and civil society. It recognizes the importance of good macroeconomic management, encouragement of foreign direct investment, gender mainstreaming, and environment preservation as key elements for sustainable socioeconomic development.

For the future, we expect that the private sector will play a more critical role in our development. However, the Maldives needs to have continued access to concessional resources for some years to come in order to enable the institutional and infrastructure development necessary. In this regard, increased Asian Development Fund resources are crucial, particularly in support of direct poverty intervention programs. We acknowledge and applaud the efforts of the donor community committing these resources to ADB, and encourage those member states that have not done so to speedily honor their commitments.

On behalf of the people of the Maldives, I wish to place on record our deep appreciation to ADB, its professional and technical staff, and the membership for the valuable contributions made to our development process. ADB is one of the Maldives most consistent and effective development partners.

In closing, Mr. Chairman, I wish to congratulate you for the leadership and dedication you have demonstrated in organizing this annual meeting, and wish you and fellow governors successful deliberations.