

PORTUGAL

MIGUEL FRASQUILHO, Alternate Governor

First of all I would like to say that it is an honor for the Portuguese delegation to be present here in the beautiful city of Shanghai and to participate for the first time in an annual meeting as a member of the Asian Development Bank (ADB). I would also like, on behalf of the Portuguese authorities, to express my sincere gratitude to the Government of the People's Republic of China for hosting this year's ADB annual meeting.

Portugal concluded its membership process to ADB early in April this year and we are honored to now be a member of all four major regional development banks. I take this opportunity to express my most sincere appreciation to ADB President Chino; all the governors and executive directors, in particular to the executive director of our constituency, Mr. Patrick Thomas; and to ADB staff for their support and collaboration in our successful membership process.

As a member of the European Union and in the context of the Asia-Europe partnership, Portugal, considers that it is very important to be able to contribute, as a new member of this institution, to strengthen the existing links between Europe and Asia.

Portugal has been following with great interest the economic development of Asia, as it has increasingly played an important role in the world context. We look forward to strengthening our relationship with Asian countries and to increasing partnerships with the economic agents and enterprises in the region.

We note with satisfaction that Portugal became a member of ADB in the same year that East Timor achieved its independence. The path followed by East Timor in the past two years deserves our deepest admiration. The firm determination of the Timorese people and its leaders, together with the extraordinary support from the international community, have laid the foundations for the creation of an independent nation, respectful of human rights. The course of events in East Timor has contributed to strengthening the image of the United Nations and to consolidating international law. The international community should continue to support the development efforts of East Timor, and not lose the momentum, for the sake of the success story it has been so far. As a member of ADB, Portugal will collaborate with ADB in its efforts to support East Timor.

We know that 2001 and the early months of 2002 were particularly difficult worldwide. We have experienced a period of economic slowdown, aggravated by the September 11 events, which have had negative effects on world trade, on the terms of trade, and on international financial conditions. Asia was no exception to this world economic situation, which only now begins to recover, prompted by the recovery of some major economies, namely, that of the United States, and more delayed, those of the European Union. We also expect that some positive signs could soon be given by Japan. This economic recovery will certainly be favorable to ADB, enabling it to enhance its activity in the less-developed countries of the region, and therefore, contributing to the main goal of poverty reduction.

One of the main challenges we face is the integration of a large number of developing countries in the global economy. In this context, greater efforts should be made to create the conditions that will allow these countries to have greater access to capital flows and investment finance, especially from private sources, so that they will also benefit from this economic recovery. Emerging economies in the region should implement sound macroeconomic policies and financial reforms to reduce their exposure to external impacts. On the other hand, ADB should play a leadership role in promoting sustainable economic growth, social development, and good governance, contributing to the main goal of poverty reduction.

Finally, I would like to say that Portugal is committed to working with ADB, under the able leadership of President Chino to build on our collective capacity to meet the challenges ahead.