



SINGAPORE*

LIM HNG KIANG, Governor ad Interim

On behalf of the Singapore delegation, I would like to express my deepest appreciation to the Government of the People's Republic of China for its warm hospitality during our stay in the vibrant city of Shanghai.

ADB's Efforts To Face New Challenges

I would like to commend the Asian Development Bank (ADB) for responding quickly and effectively last year to the challenges faced by its developing member countries (DMCs) as a result of the slowdown in the global economy and the aftermath of the September 11 attack. ADB established a special task force to oversee and coordinate aid operations in affected DMCs, and adjusted its projects and programs to address immediate needs. It also accelerated its processing schedules to enable urgently needed financial assistance to reach the affected countries more quickly. Through these measures, ADB has demonstrated its ability to respond effectively in a crisis.

I am encouraged by the recent memorandum of understanding between ADB and the World Bank to enhance cooperation and synergy between the two banks. Closer collaboration between ADB and the World Bank can only benefit the DMCs. I am also pleased to note that ADB has reorganized to more effectively serve the different development needs of the DMCs within the Asia and Pacific region.

Global Economic Prospects

Initial fears of a major dislocation in the economy following the September 11 attacks have not materialized. In fact, the global economy has shown signs of improvement since the fourth quarter of 2001, and recent data suggests the beginning of a recovery in both the United States and the Eurozone economies. However, Japan is likely to endure another year of recession.

Despite the more hopeful signs of a recovery in the United States and the Eurozone, the outlook for our region remains uncertain. While the global electronics

* Statement circulated but not delivered.

industry appeared to have bottomed out, the recovery has so far been tentative and rather erratic. A further escalation in oil prices could also set back the anticipated recovery. Current evidence suggests that economic conditions in Asia will remain weak for several more months before improving.

We cannot, therefore, afford to be complacent. While our countries have made significant progress in financial and corporate sector restructuring, we still have a long way to go. We need to push ahead with structural and institutional reforms to bolster domestic sources of growth and attract more domestic and foreign investment.

ADB's Role in the Asia and Pacific Region

Social concerns remain a critical issue for policymakers throughout the region. As ADB's *Annual Report 2001* notes, while the proportion of people living below the poverty line has fallen sharply, too many people continue to endure harsh conditions.

As the only multilateral development bank in the Asia and Pacific region with a regional focus, ADB shoulders a heavy responsibility to help DMCs, especially during this difficult period. I am confident that ADB's wealth of expertise and experience in development aid will enable it to perform this task. Singapore is pleased to acknowledge the many achievements of ADB in poverty reduction and economic development, and supports ADB in its important role.

In closing, I would like to congratulate President Tadao Chino and the management of ADB on another year of achievements despite daunting challenges.