

REPUBLIC OF UZBEKISTAN

RESTAM AZIMOV, Governor

On behalf of Uzbek delegation, I would like to extend our sincere gratitude to the Government of the People's Republic of China, the authorities, and the people of Shanghai for the excellent organization, hospitality, and warmth extended to the participants of this forum. It is deeply logical and natural that the Thirty-Fifth Annual Meeting of the Asian Development Bank (ADB) is being held in this beautiful city, which has become the symbol of successful market reforms and well-known center for many international forums.

The introduction of ADB's new organizational structure as of 1 January 2002 is an important milestone in ADB's institutional development. The new structure of ADB will definitely strengthen both the regional and country focus of its operations, give ADB staff an opportunity to systematically approach the member countries' development issues, and accordingly improve the quality of ADB's country strategies and programs.

For Uzbekistan, last year was a year of acceleration of macroeconomic and structural reforms, and currently, in active cooperation with International Monetary Fund, our country is successfully implementing a program targeted at further liberalization of the economy and currency market.

And we greatly appreciate ADB's responsiveness during the past year, allowing us to speed up preparation and implementation of priority projects and now the total volume of ADB's portfolio for Uzbekistan has exceeded half a billion dollars. At the same time, Uzbekistan requires further assistance in modernizing infrastructure and deepening market-oriented reforms, and will greatly appreciate ADB's understanding and support through the extension of more sector development program loans in corporate governance, power, financial sector, agriculture, urban infrastructure, and health care.

No doubt, the achievement of economic stability should be accompanied by adequate measures of social protection. Without this most critical factor, the risk of failure will be too high, and the price that the population will have to pay for it, namely, growing poverty and the risk of social destabilization, is completely unacceptable. The tragedy of Afghanistan is a stark example of how destabilization in one country can cause a wave of crises spreading to other regions of the world.

It is regretful that 2001 will go down in history for the terrible tragedy of September 11. During the days that followed, mankind realized the fatal threat of terrorism and militant extremism, which takes its roots from the religious fanaticism, the threat of which President of Uzbekistan Islam Karimov had repeatedly warned from the tribune of respected international forums since 1995.

Successful antiterrorist operations by the coalition forces and the downfall of the Taliban regime have created a reliable foundation for the restoration of peace, stability, and sustainable development not only in Afghanistan, but also the whole region of Central Asia. The Uzbek delegation applauds the participation of the Afghanistan delegation at this meeting, its first time in 20 years, and we praise ADB's quick action directed at rehabilitation of this country, especially President Chino's recent very productive and successful visit to Afghanistan.

We also completely support ADB's readiness to extend assistance to reforms, and to step up regional economic cooperation in Central Asia. We are certain, that ADB should have a key role in development of a regional cooperation strategy in partnership with the World Bank and EBRD. This role should not be limited to financing and mobilization of resources for important regional projects and programs, but should also include assisting in developing rational decisions based on mutual interests of the countries involved and medium and long-term efficiency.

Priority directions of regional economic cooperation in Central Asia, from our point of view, are the following:

- extension of the existing and development of new regional and interregional transport corridors, which provide the basis for level of international trade;
- establishment of common regional power systems and introduction of energy-saving technologies with the purpose of sustainable substitution of existing inefficient energy consuming productions by modern, ecologically sound technologies; and
- introduction of modern water-saving technologies targeted at rational and mutually beneficial use of limited water resources in the region, and first of all in the Amu-Darya river basin.

The challenges of regional cooperation that is the special theme of the current annual report lie ahead of us, and we are up to the task. We are certain that the efforts now undertaken together will bear fruit in the near future. In this regard, I would like to recall a well-known Chinese saying: "All of the flowers of all our tomorrows are in the seeds of yesterday and today."

We are confident that today, as never before, ADB under the admirable and dynamic leadership of President Chino is stepping up its activities to promote recovery and rapid development of economies and living standards of the Asia and Pacific countries. And we wish ADB staff and the Board of Directors success in their noble development efforts.