

## MALDIVES

### RILUWAN SHAREEF, Head of Delegation

On behalf of the Governor Hon. Ismail Shafeeu I bring to you the best wishes of the people and government of the Maldives. Our delegation would like to join our fellow Governors in thanking you Mr. Chairman, and the Turkish people for hosting the ADB's 38<sup>th</sup> Annual Meeting here in this magnificent city of Istanbul. We are heartened by your warm hospitality, impressed by the thoughtful arrangements and feel grateful for this opportunity to be here in this historic and scenic environment of the Bosphorus. Mr. Kuroda, we congratulate you on your election to the important office of the Presidency of the Asian Development Bank.

In Maldives we started the year 2004 with great expectations. Even with continuing concerns about the impact of the situation in Iraq on the global economy, and with increase of oil prices on the world market we were confidently forecasting growth rates above world averages. We achieved even better than forecast levels, registering 8.8 percent real growth. We had already made very ambitious forecasts for the fiscal year 2005.

Then came the tsunami of the 26<sup>th</sup> of December 2004. A disaster that took the Maldives and indeed the world by total surprise, has hit our economy so hard that it is extremely difficult to even predict when we would be able to regain our pre-tsunami levels of growth. Tourism arrivals plummeted to an historic low in January, and the industry is still struggling to maintain even modest levels of occupancy of resort beds.

The tsunami disaster affected practically the whole country and the whole economy; and we know that Maldives will not be the same again. We need to think and strategize differently. Our planning and development models have to deal with concepts that factor in disaster preparedness and mitigation measures in a substantial way. The economy needs to be structured differently. Human security and safety must be addressed even more than before at every stage of development. The challenge is great and the degree of success not necessarily guaranteed.

Mr. Chairman, Governors, distinguished ladies and gentlemen. Maldives was in a state of shock during the immediate aftermath of the tsunami; but I must say that with the support of the international community and development partners such as the ADB, we are coming out of the relief stage and concentrating our efforts on recovery and reconstruction. I wish to place on record the extremely quick and substantive response on the part of ADB in reaching out to help the people of the affected countries. Maldives is happy to report that we have successfully concluded the Tsunami Emergency Assistance Project, declared effective and well underway to implementing the programs supported under this project.

Notwithstanding the challenges of this unprecedented tragedy, we are continuing to push ahead with the national development agenda. Constitutional reform is currently being debated by the Special Parliament convened specifically for that purpose. We will be embarking on developing our 7<sup>th</sup> National Development Plan in the very near future.

Financial sector reform will continue. The Maldives Securities Bill and the Public Finances Bill have already been presented to the Parliament by the Minister of Finance and Treasury. We will formally become a member of the Multilateral Investment Guarantee Agency of the World Bank Group within this month, paving the way for more foreign direct investment in the Maldives. Because we know that the faster the economy can recover the faster can we restore security and dignity of the internally displaced peoples, and give them their lives and livelihoods back.

We urge the international community to stay engaged with us along the path of recovery. The affected communities remain vulnerable and disadvantaged until they can return to permanent housing and return to their jobs. We appeal to bilateral and multilateral donors to speedily realize the offers of assistance; as each day delayed means one more day that poor and helpless families are forced to live in difficult and stressful circumstances. We also request that donors be sensitive to specific national needs, when delivering assistance and supporting recovery and reconstruction efforts.

Maldives will ensure full transparency and accountability of all assistance, and invite all donors and development partners to participate in the processes of procurement and reconstruction along with the government, the civil society and the private sector.

Mr. Chairman, Governors and Alternate Governors. I do apologize that I have spent most of my statement on the issue of the tsunami. For Maldives, this is a national priority and we are determined to not let our attention falter until these people are back to their normal lives.

In Conclusion, I wish to once again thank you Mr. Chairman and the people of Istanbul and Turkey for your generous support and hospitality. Mr. President, this delegation wishes to express our thanks to your leadership and vision as outlined in your address at the opening session of this meeting. We will take heed of your strategic direction for a more result oriented and focused ADB. I wish this 38<sup>th</sup> Annual Meeting of the Asian Development Bank all the success that it deserves.

Thank you.