



PEOPLE'S REPUBLIC OF CHINA

JIN RENQING, Governor

It is my pleasure to attend the 38th ADB Annual Meeting in the beautiful city of Istanbul. First of all, please allow me to extend my appreciation to the Government of the Republic of Turkey for its thoughtful arrangement for the meeting. I would also like to avail myself of this opportunity to congratulate Mr. Kuroda again on his election as the President of the ADB.

In retrospect of 2004, I am delighted to see that most economies in the region experienced stable growth and that poverty situation in the region continued to improve. Asia remains the world's most dynamic region with the greatest development potential. However, we should also be soberly aware of the enormous challenges faced by the Region: many countries in the Region are still underdeveloped and there is still a long way to go to achieve Millennium Development Goals (MDGs). Besides, the volatile international economic environment also casts a shadow over the Region. Therefore, the Asian economies should speed up economic and social development, and strengthen their capacity to address the external shocks through cooperation. Meanwhile, the ADB should continue to support poverty reduction and development in the developing member countries (DMCs) as its core mission.

As the largest multilateral development institution in the Region, the ADB has over the years made important contribution to the region's economic and social development, which the People's Republic of China (PRC) highly appreciates. Certainly, there is still room for ADB to further improve its work. Hereby, I would like to make the following observations:

1. We noted that the total lending of ADB in 2004 decreased compared with that of 2003; the net transfer of resources to the DMCs has been negative for the two consecutive years. To meet the demand of DMCs better, ADB should make efforts to maintain a reasonable level of lending while improving its aid effectiveness, and further strengthen its support to the private sector.
2. Regional cooperation plays a key role in promoting economic development, bridging development gaps, safeguarding regional stability, and achieving common prosperity. Promoting regional cooperation is a due responsibility of ADB as mandated by its Charter. It is also one of the Bank's comparative advantages. We noted that ADB has made great efforts in supporting regional economic cooperation and achieved substantial results, which is applauded and appreciated by many DMCs, including the PRC. I hope that the ADB will further strengthen its study on regional cooperation, continue to play its role proactively as the coordinator and financier, and increase its support to the Central Asia and Greater Mekong Subregion economic cooperation mechanisms. The PRC has attached great importance to and actively participated in the Central Asia and Greater Mekong Subregion economic cooperation, and made its own contribution through concrete actions. In July 2005, the PRC will host the Second GMS Summit, which will definitely push the cooperation among the GMS countries to a new high.
3. Over the four decades since the establishment of ADB, our region has undergone profound changes in the political, economic and social dimensions. ADB should conduct careful reviews of the region's development practice, and, based on that, form a new development paradigm that best suits the situations of our region, thereby providing theoretical support to the reform and development of the DMCs.

4. Last but not the least, ADB should continue to improve its service by listening more to its borrowers, enhancing its client orientation, streamlining its procedures, lowering lending cost, and developing more innovative lending instruments, among others.

For years, the PRC has been dedicated itself to alleviating poverty through growth and development. About 220 million people have been lifted out of poverty since 1978, and the per capita GDP in the PRC exceeded US\$ 1000 in 2003. The PRC has now entered a new development stage and is striving to build a harmonious society in all aspects. The Government of the PRC has started to implement a new and scientific development philosophy that puts people first and highlights the sustainability of development. The new development philosophy focuses on achieving balances between urban and rural development, development among different regions, economic and social development, man and nature, and domestic development and opening to the outside world.

The PRC will continue to improve the partnership with ADB. We hope that the ADB will continue to play an active role in the PRC's modernization. Meanwhile, the PRC's development experience will help enrich the development theories of ADB. While developing its own economy, the PRC is willing to contribute more to the development of the region in the form of financial, technological and human resources. After the US\$ 30 million contribution to the ADF9 in 2004, the PRC donated another US\$ 20 million to ADB for establishing the PRC Fund for Poverty Reduction and Regional Cooperation. This embodies the strong trust in and support to ADB by the PRC as a responsible shareholder. This also reflects the PRC's firm commitment to the development and cooperation in the Region.

To build a world of lasting peace and common prosperity has become the shared aspiration of all people in the new century across the globe. The PRC stands ready to join hands with ADB and other member countries to create a brighter future for the Region.