



UZBEKISTAN

RUSTAM AZIMOV, Governor

ADB Annual Meeting in the ancient and beautiful city of Istanbul, crossroads of civilizations for millennia is taking place at the time when the wonderful results, good prospects and great hopes of development for the majority of the Asian countries are accompanied by still existed global challenges and threats. The main task which standing in front of us today is to address and prevail these global challenges and threats.

The devastating tragedy of the earthquake and tsunami in the Indian ocean, which took hundreds of thousands lives, continuing global terrorism activity, the difficult post-conflict processes in Iraq, Afghanistan and other parts of our continent, high world prices volatility and many other challenges are increasing the threat to the sustainable development of the Asia-Pacific countries.

However, years have followed the Asian financial crisis demonstrated that the countries of our region, under the strong participation of ADB, managed to mobilize financial, intellectual and human resources, in order to overcome the global challenges. In this context I would like to thank former ADB President, Mr. Tadao Chino, for his outstanding contribution, excellent results and unique commitment to serve to the development for the Asia and Pacific nations.

Uzbekistan delegation highly welcomes the dynamism and decisiveness of the new ADB President, Mr. Haruhiko Kuroda who has introduced impressive and comprehensive program of the Bank policy for the years to come.

We welcome the proactive leadership of President Kuroda who demonstrate in promoting candid and broad-based dialogue. We are encouraged by ADB's commitment to remain attentive to the voices of the countries and formulate tailor-made strategies for each its client, taking into account the diversity in the region.

We are confident that the relevance, responsiveness and result-oriented approach will ensure a new quality of the Bank's operations and a greater efficiency and assisting DMCs in their reforms processes.

Uzbekistan, being the heart of Central Asia, highly appreciates the Bank's extensive support to market transformation in our country. Last year, our economy has reached almost an 8% GDP growth, inflation went down to less than 4%, foreign trade turnover increased by 30%, while foreign trade surplus exceeded USD 1 billion.

Based on our transitional experience we convinced that ADB should be more focused on the following priorities:

1. Creation of modern educational system. Uzbekistan is a kind of unique country that allocates almost 50% of the state budget expenditures for Education Development Program. At the same time my President Islam Karimov is confident that this is not merely expenditures, but the most reliable and promising investments in the generations to come and future prosperity of our nation.

It is important to note that all the educational cycles including the primary, secondary, professional and higher education should be interlinked and prepare our youth to be competitive in the global labor market and to respect the democratic values.

2. The development of the efficient healthcare system, which alongside with the paid medical services, should ensure basic medical needs for all groups of population, especially for the children, women and vulnerable people.

3. Today, as never before, the support of the **development of small business and private entrepreneurship** is vitally important. The scale of such support should be significantly expanded. In developing assistance programs greater attention should be paid to microfinancing for entrepreneurs, especially for women trying to begin their own business.

We consider development of the educational system and the dynamic growth of SMEs as the crucial vehicle preventing and combating extremism and terror, which usually recruit uneducated young men from poor families.

4. Transport Infrastructure Development that is the basis for the growth of internal and regional trade, as well as for the deepening integration of the economies of the region's countries calls for a greater attention from the Bank.

5. We are confident that successful agricultural sector reform is the most important condition for the general success of the market transformation process. The creation of the modern market infrastructure for rapidly growing class of private farmers, along with decisive liquidation any subsidies to loss making and low profitable agricultural enterprises needs to be widely supported.

6. Regional Cooperation. It is important to note the unique and leading role of ADB in promoting regional cooperation in Asia. In this context, we strongly support President Kuroda' recent decision on establishing the Office of the Regional Economic Integration, which aims to further enhance and assists the integration initiatives in Asia.

We strongly believe that the most important impulse for the sustainable development in Central Asian countries is the successful implementation of the initiative of President Islam Karimov on creation of the Central Asian Common Market.

This initiative envisages a step-by-step approach for establishing the free trade zone, followed by customs and eventually economic union in Central Asia.

In this regard, we invite Asian Development Bank to act as the main advisor and coordinator of this genuinely historical process where Bank based on its previous experience in South East Asia could play a catalyst role.

In conclusion, on behalf of the delegation of the Republic of Uzbekistan, I would like to express sincere gratitude to the Government of Turkey, the authorities and people of Istanbul for the warm hospitality and exceptional organization during the Annual Meeting.

Thank you for your attention.