



# 39<sup>TH</sup> ANNUAL MEETING

## BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

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4–6 May 2006

**GS-03**

### **SINGAPORE** **Raymond Lim, Governor**

On behalf of the Singapore delegation, may I express our heartfelt thanks to the Government of India, the people of Hyderabad, as well as the Asian Development Bank (ADB) for the warmth of their hospitality and efficiency of their organization.

Asia is on the rise. Bolstered by the People's Republic of China and India, Asia is on track to achieve unprecedented levels of economic and social development. By the middle of this century, the global center of gravity will shift to Asia. Most of all, Asia has a historic opportunity to eradicate poverty within a generation.

The journey ahead will not be without obstacles. The last 10 years have seen the region buffeted by financial crisis, economic recession, terrorist attacks, natural disasters, and disease epidemics. Asian countries have largely overcome these obstacles, pressing on with economic reform and persisting on their growth trajectories, albeit not without setbacks and slippage.

While domestic resolve and resilience will remain key to countries achieving their potential, regional cooperation and integration will become an increasingly important factor in meeting the common challenges of globalization, terrorism, and pestilence facing us all. We must come together to forge shared solutions to address common threats and ride on common opportunities. In this, ADB, together with its member countries, has a key role and responsibility, to identify areas of cooperation, mobilize resources, and facilitate joint efforts to develop markets, infrastructure, and improve the quality of life of our people.

First, we must enhance regional economic integration. We applaud the ADB's efforts in this area through its Office of Regional Economic Integration. We must progressively reduce barriers to trade and investment flows within Asia, in order to enhance intra-regional trade and strengthen Asia's importance as a market of final demand.

Second, we must work together to close the "infrastructure deficit" that still hobbles development in many parts of Asia. Our own experience in Singapore shows that efficient infrastructure—in the form of well-connected transport networks, a dependable supply of basic utilities, and affordable internet and telecommunications facilities—is a key factor for attracting foreign investment. We must also continue to encourage increased private sector involvement in building and operating this infrastructure, and create the appropriate market conditions.

Third, we must strengthen cooperation to build efficient and robust financial markets. As Asia continues to experience dynamic and rapid economic growth, financial intermediation will



become an increasingly important success factor. ADB has been playing a useful role in fostering such financial cooperation, through its support for regional cooperation agreements, such as the Chiang Mai Initiative and the Asian Bond Market Initiative.

A fourth area of concern facing the region that requires a coordinated solution is the threat of an avian influenza pandemic, which has already affected parts of East Asia. We commend ADB for its efforts to raise funds to combat avian influenza, and also for working with individual countries to prevent the spread of the virus. Among other projects, in March 2006, ADB and other major regional development partners, including the Association of Southeast Asian Nations (ASEAN), unveiled a \$38 million grant project designed to provide urgent resources to prevent the infection and spread of avian influenza. We must draw up, as a regional community, robust contingency plans to deal with any possible outbreaks. We must help the private sector to put in place comprehensive business continuity plans so as to minimize the fallout from a potential flu pandemic. Our governments must be transparent about the incidence of outbreaks in our respective countries so that we can take timely defensive measures to curb the spread of the disease.

Finally, ADB should continue to play a significant role in encouraging the practice of good governance amongst its member countries. Singapore is an ardent proponent of good governance as the most fundamental prerequisite for economic and social development. We stand ready to work with ADB to advance the cause of good governance in Asia. In this regard, Singapore is hosting the inaugural Raffles Forum on Good Governance and the Wealth of Nations on the sidelines of the Singapore 2006 International Monetary Fund (IMF) and World Bank Annual Meetings in September. The forum will gather a distinguished group of global leaders and experts to explore and elucidate the nexus between good governance and wealth creation.

Asia is going through bracing times. As globalization gathers pace, there is much work for regional institutions like ADB to do to ensure that Asia lives up to its promise and potential in the coming decades. We have every confidence that ADB will continue to evolve and adapt its roles and strategies to suit the ever-changing environment and needs of Asia. We wish the ADB management every success in the year ahead.