

MALAYSIA

DATO' KONG CHO HA, Governor Ad Interim and Head of Delegation

On behalf of Malaysia, I would like to express our gratitude and appreciation to the Government of Spain, the people of Madrid, and the secretariat of the Asian Development Bank (ADB) for the excellent arrangements and warm hospitality extended.

I also take this opportunity to congratulate ADB for its 41st anniversary celebration and believe this is a crucial year for ADB, especially on the back of the rising cost of food and high oil prices that pose new challenges to economic growth.

Malaysia would like to join other countries in congratulating ADB for its successful conclusion of the Asian Development Fund (ADF) X replenishment negotiations, with overwhelming support from donor countries.

Malaysia welcomes ADB's recent corporate-wide planning document, the long-term strategic framework 2008–2020 (Strategy 2020), which provides policy statements and strategic directions for ADB in the next 12 years. We are hopeful that ADB will continue to be the focal point for cooperation and coordination and, more importantly, continue to be the facilitator, trusted advisor, and long-term development partner for many developing member countries in the region.

Malaysia is very much committed to maintaining its strong relationship with ADB. Malaysia is reengaging with ADB by agreeing to adopt the country partnership strategy with ADB. Malaysia certainly can benefit from ADB's expertise, knowledge products, and technical services, while continuing to cooperate in policy dialogue and encouraging new direct financing of projects, especially through private sector participation and nonsovereign operations.

At the regional level, we view seriously the current economic and social problems, especially in dealing with persistently high energy and food prices and the impacts of the global slowdown on export earnings. The sharp and pervasive increase in prices of essential goods and basic commodities will adversely affect the real incomes of poor households and consequently curtail the progress that has been achieved thus far on poverty reduction. There is also the possibility that some middle-income countries will not be progressing fast enough, or even slip back and fall under the "middle-income trap", because of rapid growth in their population, and failure to further diversify their economies and improve overall competitiveness. We call upon ADB to assist in formulating measures and be more flexible in its approach to allocating financial resources to enable an increase in food production and ensure that food supplies reach the needy quickly.

Infrastructure needs remain enormous in the Asian region, especially in fast growing economies like Viet Nam, India, and the People's Republic of China. Malaysia encourages ADB to continue strengthening long-term partnerships with other multilateral development banks and development partners by coordinating and streamlining all works and activities, and addressing their pressing infrastructure needs, especially in the rural areas. In addition, there is a need to ensure that financial sector development really supports the real economy, by mobilizing financial resources both domestically and externally, and channeling them for productive investment purposes through more efficient and greater flow of funds.

Malaysia supports the scaling up of private sector development and adoption of market-based systems, thus increasing the number of highly open economies in the region. As such, we see a real need for ADB to enhance its support for private sector activities, especially in specialized areas that will directly help to facilitate and enhance greater private sector participation in the years ahead. These efforts should include measures to improve overall efficiency and transparency that will eventually help to lower the costs of doing business and encourage greater innovation, including the use of modern technologies.

In conclusion, Malaysia will continue to support the ADB in all its endeavors and is looking forward to working closely with the ADB and member countries in enhancing economic growth in the region.

Thank you.