

Welcome Remarks
by
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Asian Development Bank
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Your Excellencies
Distinguished participants
Ladies and gentlemen
Good morning. An-nyeong-ha-sib-ni-ka?

I am delighted to be here to welcome the Deputy Prime Minister and concurrent Minister of Finance and Economy of the Republic of Korea, His Excellency Jeon Yun-churl, and to join Mr. Kim Choongsoo, Mr. Ahn Choong Yong, and Mr. Jemal-ud-din Kassum in welcoming you to the Fourth Asia Development Forum.

I would like to express my appreciation to the Government of Korea for hosting the event and providing generous financial support, and to our partners, the Korea Institute for International Economic Policy, the Korea Development Institute, and the World Bank for their support and cooperation.

The Asia Development Forum was launched in 1998 with the purpose of revisiting Asia's development experience in light of the lessons learned from the Asian financial crisis. I was present at the previous two gatherings, and am happy to see that the Forum has become a premier regional event for knowledge-sharing and dialogue on emerging policy issues. As a regional development institution mandated to promote

regional cooperation, ADB is particularly happy to facilitate cross-country sharing of development experiences and strategies. An event of this nature also helps networking among development players and stakeholders in the region and builds a broad-based partnership for achieving ADB's overarching goal of poverty reduction.

The Forum theme, *Trade and Poverty Reduction*, is timely, considering the events that have recently taken place and the opportunities and challenges brought by them. The launch of the Doha Round, the PRC's WTO entry, and the proliferation of bilateral and regional trade agreements in the region and elsewhere will all have profound implications for the international trading environment and economic development of countries in our region.

Take the Doha Round, for example. It promises to be a *development round* by placing developing countries' interests and concerns at the heart of the WTO negotiating agenda. The Doha Round offers new development potential through progressive trade liberalization and improved rules governing the multilateral trading system. However, this potential can only be realized if developing countries participate effectively in the trade negotiations, and if members of the international development community work together to provide concerted assistance. This year's Forum is part of the international development community's efforts to help our developing member countries leverage trade for development.

Ladies and gentlemen, trade is a major engine for growth and poverty reduction. Asia's development experience in the past few decades amply demonstrates the success of economies that have opened themselves to

trade and foreign direct investment and integrated most strongly into the global economy.

Trade openness helped them overcome the limitations of domestic markets, provided new economic opportunities to exploit international markets, created competitive pressures for the domestic economies to reform and adapt to the changing development environment, and allowed access to new technology and know-how through foreign direct investment and imports of machinery and equipment. In less than three decades, this strategy has enabled my home country—the Republic of Korea—to industrialize quickly and become a member of the OECD.

However, rapid economic growth cannot be sustained without domestic policy and institutional frameworks supportive of open markets. Economic openness will not deliver rapid and sustained economic development unless it is an integral part of a broad development strategy that places emphasis on macroeconomic stability, labor market flexibility, and good economic governance. These complementary measures together helped the successful economies in Asia to create an enabling environment that encouraged productive investment rather than rent-seeking. With an increasingly globalized economy, the scope of complementary measures has to be broadened in order for developing countries to benefit from globalization while minimizing its risks.

The program of the Forum is very much shaped by this regional perspective on trade and development, and by the new challenges and opportunities emerging from the changing international development environment. We hope this Forum will help us explore the new potential of

the trade engine in the new international trading environment. To explore this potential, we need to develop a better understanding of *how* major events such as the Doha Round and PRC's WTO entry will affect the international trading environment, *what* complementary policy measures are required for developing countries to successfully exploit trade liberalization in the fight against poverty, and *how* vulnerability can be managed and the benefits of integration shared more widely.

In conclusion, I would like to re-emphasize that support for trade liberalization and associated reforms is an integral part of ADB's country development assistance. The Forum has a roster of eminent resource speakers, policymakers, researchers, and members of civil society, and I am confident that we will learn much about how we can best confront development challenges, international and domestic, in support of our aim to reduce poverty.

I look forward to a fruitful exchange of ideas in the next two days and wish you a successful conclusion to the discussions. I hope you will also find time to do some sightseeing, appreciate the culture, and enjoy the warm hospitality of our hosts.