



KYRGYZ REPUBLIC

BOLOT ABILDAEV, Governor

It is a great privilege for me to address the Board of Governors of the Asian Development Bank (ADB). On behalf of the Government of the Kyrgyz Republic let me thank the Government of the Republic of Korea, ADB management, and personnel for the warm hospitality as well as excellent arrangements for this Meeting.

In the beginning of the third millennium, developing countries of the Asia-Pacific region are undertaking all efforts to improve their economic performance and reduce poverty, and we believe that ADB is playing a vital role in this process.

Since it has become a member of ADB, the Kyrgyz Republic has received broad and favorable loan assistance from Asian Development Fund (ADF) resources for such sectors as transport, energy, education, as well as governance and social protection. ADB support is important in economic stabilization of our country.

Overall macroeconomic indicators of the country reflect the tendency toward stabilization and growth of the economy. The average annual level of inflation in 2003 stood at 5.6 percent. The real growth rate of gross domestic product (GDP) was reported at 6.7 percent against the expected 5.2 percent. This is the highest GDP growth rate for the economy over the last 6 years.

The Kyrgyz Republic, like other transitional economies, faces the poverty challenge. In order to address this issue the Kyrgyz Republic launched the Poverty Reduction and Growth Facility (PRGF) Program on 1 October 2001. The program envisages the implementation of different measures, which were agreed on between the Government of the Kyrgyz Republic and International Monetary Fund (IMF) in the Economic Policy Memorandum for the period from 1 October 2001 to 30 September 2004. A number of structural measures and reforms are being implemented within the PRGF Program in different sectors of the economy, including banking, energy, and public administration.

I should note the important role of ADB in implementing structural reforms in the Kyrgyz Republic. In particular, with support from ADB we are now implementing two reform programs, including the second phase of the Corporate Governance and Enterprise Reform Program, and Regional Trade Facilitation and Customs Modernization Program. Both program loans are part of structural reforms in the Kyrgyz Republic.

I believe ADB assistance strengthens the country's potential, accelerates economic integration processes in the region, and, more important, successfully fights poverty—the main challenge for most of developing members of ADB.

As a result of fruitful cooperation between ADB and our country, I would like to mention the following fact of no small importance showing the achievements of our country in 2003.

The Government of the Kyrgyz Republic and the Paris Club member countries achieved a debt-restructuring agreement based on improved Huston Terms, with a goodwill provision.

There is no doubt that external debt restructuring will significantly contribute to development of the economy and economic growth. On behalf of the Government of the Kyrgyz Republic, I would like to express appreciation to ADB, as well as to our ADB partner-members, for their support of our country in the process of external debt restructuring.

The Kyrgyz Republic strongly believes that ADB assistance is reflected in the positive developments and results that we can see today in our economies.

In conclusion, I would like to join my fellow Governors in expressing deep gratitude to President Tadao Chino, ADB management, and staff for their efforts and assiduous work during the last year. I would like to wish you all the best, and assure continued support from the Kyrgyz Republic on all the initiatives of ADB in the future years.