

**PHILIPPINES****HON. JUANITA D. AMATONG, Governor**

Allow me to start by thanking our host, the Government and people of the Republic of Korea for the warm welcome and excellent arrangements made for this year's annual meeting of the Board of Governors in Jeju. Let me also welcome Luxembourg and Palau as new members of the Asian Development Bank (ADB). I also take this occasion to welcome Vice-President Jin and Vice-President Pholsena to ADB.

We are gathered here in Jeju to reaffirm our commitment to the urgency of a shared goal: to assist the developing member countries (DMCs) in their efforts to fight against poverty and improve the quality of life of their people. This year's Annual Meeting is made more meaningful by the prospect of another year of economic buoyancy for the region. We must all be committed to sustain the growth momentum as this is a viable path for the Philippines and similarly situated DMCs to stand a good chance of winning the battle against poverty.

Our platform of reforms puts a premium on fiscal consolidation and improving the investment climate. Our Government recognizes that recurrent deficit in the budget is a threat to stability. We have, therefore, put in place a deficit reduction program aimed at balancing the budget in five years. Last year, we succeeded in meeting our deficit target. We thank ADB for supporting our fiscal program, particularly in the area of expenditure management, and count on ADB's continued support in this endeavor.

Greater reliance on the market rests on a vibrant private sector, which requires, at the very least a stable and predictable environment. We welcome the thrust of ADB to accelerate development of strong partnerships with the private sector. In particular, we will continue to rely on ADB and other development partners to help us realize the envisioned transformation of our power sector.

Meanwhile, we welcome the decision of ADB to ease the burden on users of its ordinary capital resources (OCR) facilities. Let's face it. A substantial amount of ADB's net income is derived from OCR charges and a meaningful portion has been allocated to the Asian Development Fund (ADF) and Technical Assistance Special Fund (TASF). The OCR member countries have been the vanguards of economic growth. In a world that is increasingly becoming integrated through trade not only in goods and services, but also in securities and national currencies, OCR member countries have joined the mature industrial economies in catalyzing growth in other parts of the globe. We, therefore, urge ADB to remain equally concerned with relieving the cost of borrowing of OCR member countries.

We would like to see ADB being transformed into a truly dynamic partner of OCR member countries. The strength of these middle-income economies derives from stable institutions and firm commitment to reforms. Many of the OCR member countries have access to the international capital and financial markets. ADB can offer further assistance by providing credit enhancements and innovative financial products that minimize the risks from tapping internationally mobile capital. We appreciate the support ADB is extending towards the formation of an Asian Bond Market and ask ADB to remain supportive of this initiative, and impress upon everyone its urgency.

The development problems of the Philippines and other DMCs require transformation that is not only economic, but also social and political. To succeed, both the DMCs and their partners in development like ADB must embrace change and create opportunities within reach of everyone. At the same time, ADB as the regional development bank should be Asian in outlook and sensibility; it must be highly relevant and responsive to the development aspirations of our member countries. We are pleased with the on-going initiatives aimed at enhancing development effectiveness and managing for results. Under President Tadao Chino's leadership, we are confident that ADB will be able to navigate through the challenges ahead and put the region on a sustained robust growth.

Finally, ADB's Annual Meeting has been the main forum in which member countries convey their preferred directions for ADB. We trust that this year's Annual Meeting will further reinforce ADB's alliance with member countries to realize the vision of Asia and the Pacific, free of poverty.