



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

## BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

Hyderabad, India

4–6 May 2006

**GS-12 (rev 1)**

### **MALDIVES**

**Mohamed Jaleel**, Governor

I bring to you the best wishes of the people and the Government of the Maldives. On behalf of my delegation I would like to thank the people and the Government of India for hosting the 39th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) in the beautiful city of Hyderabad. We are heartened by your warm hospitality, impressed by the thoughtful arrangements, and indebted for this opportunity to be here in this progressive and vibrant city.

Let me also take this opportunity to join other members to congratulate and welcome both Armenia and Brunei Darussalam to ADB. I wish them every success.

The year 2005 was extremely challenging for the Maldives. The new year came only a week after the worst natural disaster in the recorded history of our country—the Asian tsunami of 26 December 2004. To this day we are continuing to deal with the difficult task of recovery and reconstruction to restore our economy to the levels of 2004.

I consider it my duty to express my deep appreciation to the Board of Governors for the strong support extended by ADB to the people of my country at this difficult time. I also wish to place on record the generous assistance received from other member countries, which restored the livelihood of the thousands who lost their lifetime savings, established confidence in development efforts, and provided momentum for our growth.

I am pleased to inform you that our economy has started to rebound, fuelled by an early recovery in tourism and fisheries. Although there is a substantial funding gap in some critical areas, the reconstruction program is well underway. We are undertaking this reconstruction within a long-term development framework, which has helped us to strengthen the balance of payments position to pre-tsunami levels. With your support, the people and the Government of Maldives are determined to recover from the biggest setback in the history of our small country and to restore the economy to growth of more than 7% from 2006 to 2008.

Our challenge is to meet the Millennium Development Goals and to graduate from least developed country (LDC) status by 2011. We are developing a policy regime to promote private-sector-led development and export-oriented growth, including promotion of a greater role for foreign direct investment. We expect greater ADB support in this regard.

To this end, we have embarked on credible reforms that will allow greater democratization and improve the economy. To ensure greater fiscal responsibility, a new public accounting system has been put in place and public finance legislation has been developed with the assistance of ADB and other donors. This legislation was enacted by the Parliament in



January this year. A new Banking Act is being prepared and the Central Bank Act is being revised in line with international best practice. This legislation is expected to be enacted by Parliament this year. The Seventh National Development Plan has been completed, with a focus on an integrated framework for development.

The Maldives supports ADB's new initiatives under the second medium-term strategy and appreciates ADB's assistance for the development of our medium-term planning.

At the last Annual Meeting in Istanbul my predecessor Hon. Ismail Shafeeu appealed to the international community to stay engaged with us during our journey of reform and development. I wish to re-iterate his appeal while I express my government's gratitude for the long service he gave to ADB and his country as Governor for the Maldives.

In conclusion, I wish to thank the people and the Government of India for the generous hospitality extended to us. I would also like to thank ADB for the excellent arrangements made for this meeting.

Finally, let me express my Government's support for ADB President Kuroda's vision articulated yesterday for an Asia Pacific where, and I quote him, "Every individual can live with dignity—free of poverty and sharing in prosperity". I assure you of my Government's full commitment to this end.