

STATEMENT BY H.E. SUFIAN AHMED
GOVERNOR FOR ETHIOPIA

Mr. Chairman,
Your Excellencies the Governors of ADB Group,
Executive Directors,
Distinguished Guests,
Ladies and Gentlemen

Let me begin by saying how pleased I am to address the 2010 Annual Meetings of the ADB Group. I also wish to express, on behalf of the Ethiopian delegation and on my own, our deep gratitude to the authorities and People of the Republic of Cote d'Ivoire for their warm welcome and hospitality as well as the quality of the organization accorded to us since our arrival in Abidjan.

Mr. Chairman,
Honorable Governors,
Ladies and Gentlemen

As you are well aware, 2009 was a year that a hard won economic growth of Africa negatively impacted by the global financial crisis. Despite some relief on important bills due to the falling prices of food and oil, demand for African exports has fallen; commodity prices have declined; and it is also weakening the tourism receipts and remittance flows. Tighter global credit and investor risk aversion have led portfolio flows to reverse, deterred foreign direct investment (FDI), and made trade finance more costly.

Recent evidence shows that with the anticipated gradual recovery of the world economy, the outlook for Africa has indicated substantial improvement in 2010. However, compared with the required annual growth rate of 7 per cent and above to meet the MDGs, Africa still remains behind the targets.

The climate change has been the other challenge that threatens the future of human civilization. Africa has practically contributed nothing to global warming but becoming the primary victim of the effects of the climate change. However, it is encouraging for Africans for reaching to a decision for the first time to speak with one voice and to field a single negotiating team. We are optimistic about the outcome of the negotiation and we will continue to promote the ADB to administer the African share of resource particularly for adaptation and mitigation activities of Regional member Countries.

Mr. Chairperson,
Honorable Governors,
Ladies and Gentlemen

With regard to the performance and operation of the ADB Group during 2009, I would like to take this opportunity to congratulate the Management and staff of the ADB Group for their contribution to this excellent achievement at such difficult time and uncertainty on the global finance. It is indicated that many of the Bank's financial indicators have shown encouraging results. This indeed is a commendable performance that further demonstrated the soundness of the Bank Group's financial outlook by the reaffirmation of the triple-A (AAA) rating from known rating agencies.

However, as a result of increasing demand for the Bank's development assistance and frontloading of the available resources there might be a breach of its prudential limits expected by 2012. The substantive increase in demand for frontloading of resources of ADB has resulted in drastic increase of the Bank's lending.

At this juncture, I would like to express my Government's appreciation regarding the announced subscription of Canada and South Korea to increase their callable capital stock in ADB which enabled the Bank to maintain its lending capacity in the interim period and averted a breach of prudential limits in 2009 and 2010. Additionally we would also like to support the Bank's appeal for other non-regional members to follow the exemplary action of the two countries.

Reflecting on the progress of the reform, we recognize that several measures have been taken. We would like to express our appreciation to President Kaberuka and his team of management for their commitment and driving the reform. We do appreciate the challenge of realizing institutional change. Nevertheless, through time there need to be perceptible movements to the objective set by the Reform of the Bank. It must impact field operations and enhance the effectiveness of the Bank's delivery.

We recognize that currently the Bank has greater field presence with competent staff. In this connection, I wish to reiterate here our calls in the past for country offices to be given sufficient delegation of power in order to allow them to make effective decisions. Without this, country offices will only inflate the costs of the Bank's operation, with little benefit to the countries it is intended to serve.

Mr. Chairman,
Honorable governors,
Ladies and Gentlemen

Let me briefly talk about Ethiopia to inform you about its current status. As our primary agenda is to accelerate growth and end poverty, Ethiopia is making progress and has registered strong economic performance as reflected in the average real GDP growth rate of above 10 per cent per year during the last six years. We have also succeeded to bring down the unprecedented high inflation to a single digit.

I would like to seize this opportunity for the unanimous decision of the Board of Governors to re-electing the incumbent Bank President to serve the Bank for the second term. I would like to congratulate Mr. Kaberuka for being re-elected unanimously and we commend his firm and visionary leadership and stewardship of the Bank Group through the food and financial crises.

I would like to welcome the newly appointed Board of Directors for the Bank and the Fund and wish you all the success with these highest oversight functions of the Bank Group. I would also like to thank the outgoing Executive Directors for their outstanding performances during their terms of office and wish them the best in their future assignments.

Finally, please allow me, to call on all members and our development partners to work together for the success of our Bank to enhance its contribution to Africa's development. Key to this is the active involvement in looking for solutions for the impact of the current economic crisis on the African economy and speeding up and taking the lead role in availing additional resources for the RMCs. To this effort to be enhanced, we call upon our deputies to consider increasing the ADF-12 resource to sustain the achieved progress of African development.

I thank you for your kind attention.