

STATEMENT BY DR. EUN-BO JEONG,
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Honorable President Kaberuka,
Honorable Minister Abdoulaye Diop,
My fellow Governors

I am honored to deliver speech at this meeting here in Africa, the Continent of Hope.

I would like to take this opportunity to commend the devoted efforts of President Kaberuka and the staff for the regional development.

I would also like to extend my appreciation to the Government of Senegal and the citizens of Dakar, who have wonderfully organized today's meeting and provided us with warm hospitality.

Ladies and Gentlemen,

The global economy is now going through low economic growth and recession. Moreover, the recent IMF Global Economic Outlook has forecasted such economic difficulties would be lingering on for quite a while.

The African countries are not immune from such global economic turmoil. They, who have shown unprecedented economic advancement over the last decade, are on the edge of collapse.

Particularly, the poorer countries in the region could more severely suffer from the sharp decline in external aid, which their economies are heavily dependent on.

Against this backdrop, Korea, being a member of the Troika countries, and other G20 countries, agreed on policy coordination for boosting global economy through expanding fiscal expenditure by 5 trillion dollars until 2010 and rejecting protectionism in any form.

They also agreed to strengthen the financial support to low income countries with maintaining the current level of external aid and enhancing financial capability of International Financial Institutions.

To develop such agreement into more tangible outcomes, Bank members must also take an active role so that the regional economy would get out of recession back to the normal development and poverty reduction.

My fellow Governors,

The Bank is making diversified efforts to overcome the current crisis in the region. In particular, the General Capital Increase of the Bank, which is now under discussion, would be a fundamental step toward helping the region tide over economic difficulties. I hope we can reach conclusion at the earliest and hence strengthen the Bank's financial resources.

At this juncture, I would like to make some suggestions regarding the Bank's policy measures to put more focus on.

First, the Bank needs to enhance its counter-cyclical role by providing an adequate amount of liquidity and to strengthen the facilitating role for boosting trade finance.

In this respect, I welcome the Bank's decision to establish the Emergency Liquidity Facility of US\$ 1.5 billion and to introduce the Trade Finance Initiative of US\$ 1 billion.

In order to make these measures more effective, let me urge the Bank to take concrete measures for front-loading and fast disbursing of the Bank's resources.

Second, I would like to ask the Bank to pay more attention to the nations who are suffering from poverty and disease.

Under the global economic turmoils, the Bank should focus more on those countries which are undergoing economic difficulties due to reduced aid from advanced donor countries.

In this regard, the Bank's suggestions for enhancing flexibility and expediting replenishment of ADF need to be actively discussed and agreed in timely manner.

Third, I would like to ask the Bank to take a long-term perspective and prepare for the post-crisis period.

Although it will take time, the current crisis will eventually be overcome. What we need to do is to come up with ways to turn the crisis into an opportunity to take another leap forward in the future.

In this context, I would like to ask the Bank to step up efforts to achieve sustainable growth and poverty reduction in the region.

In the process of overcoming the Asian financial crisis in 1997, Korea successfully managed to restructure our economy and enhanced its competitiveness through decisive investment in social infrastructure and high-tech industries.

Based on such experience, Korea is ready to support whoever is in need of our experience among African countries.

My Fellow Governors,

The 2nd KOAFEC Ministerial Meeting, which took place last October in Seoul, was successfully held and participated in by President Kaberuka and Ministers of many African countries.

We shared the view that Africa and Korea have similar cultural backgrounds, including colonial rule, civil war, national division, and a strong will toward economic development.

We also shared that Korea's experience in economic development and poverty reduction could be good reference for African countries who are trying to find more efficient economic development model.

As part of that, we held four workshops throughout the Continent last year. Concentrated on sharing Korea's development experience, they were successfully held and participated in by more than 40 African countries.

From this year, the focus of workshop will be transformed into sector-specific topics. In this context, the 1st ICT cooperation conference was held last April in Cairo, Egypt and it was very productive in sharing our ICT experience with northern African countries.

Today, for enhancing knowledge sharing opportunities and strengthening economic cooperation between Korea and African countries, we signed an agreement with President Kaberuka on replenishing five million dollars to the KOAFEC Trust Fund. More than ten million dollars will be additionally replenished over the next two years.

Ladies and gentlemen,

It has been 27 years since Korea joined the Bank. We have been great friends both in joy and sorrows.

It is said that friendship improves with age. I sincerely hope our relationship gets closer and stronger in the future and please keep in mind that Korea will remain committed as your long lasting friend and supporter.

For the last word, like summer is sure to come, if you keep on believing the best day is ahead of us, then it will be sure to come. Let's make it come true.

Thank you very much for your attention.