

# REPUBLIC OF KOREA

## **Governor Statement**

Republic of Korea

Byungkyoo Kim, Temporary Alternative Governor

Honorable Abdullah II, the King of Jordan,  
Imad Najib Fakhoury, the Chair,  
Suma Chakrabarti, the President of EBRD,  
fellow governors and ladies and gentlemen,

It is a pleasure to be here as the governor for Korea especially in this beautiful city of Sweimah. I would like to thank the government of Jordan and the EBRD for organizing this meeting and for their warm hospitality.

I also want to thank the EBRD and President Chakrabarti for their commitment and efforts towards the implementation of the Strategic and Capital Framework which has achieved unprecedented performance despite the uncertainties that exist in the global economy.

Before I begin my statement, it is my pleasure to share with you the recent progress on the inter-Korean relations. At the Summit in April 27, the two Koreas have taken a meaningful step towards peace and co-prosperity through complete denuclearization of the Korean peninsula.

I believe that this first step will stabilize and accelerate the development of the North East Asian region, and set foundation for global peace and prosperity.

With reforms and market opening of North Korea, as well as its integration into the

international community, we expect the international financial institutions to play a more significant role than ever.

In particular, EBRD's extensive knowledge and experience in supporting the Eastern Bloc countries transition to market economy will be especially helpful for North Korea.

I would like to ask for the support and cooperation of member countries and the international community in Korea's future endeavor to realize "Panmunjom Declaration."

The global growth is expected to stay favorable thanks to rising trade and investment, followed by strong growth momentum of advanced and emerging economies, and expectation for expansionary fiscal policies of the US.

However, there are also various risk factors, such as financial volatility as a consequence of monetary policy normalization, escalating trade conflicts, and spreading protectionism

In addition, geopolitical risks and political uncertainties in some of the recipient countries of the EBRD still remain as causes for concern.

At the same time, infrastructure gap continues to widen due to the limited resources of the international community unable to match the growing demands of developing countries.

And there has been new development needs that are more complex and diversified than simple demands for infrastructure. We are facing the need to address inclusive growth, climate change and gender equality,

This adds new challenges for MDBs to overcome, and calls for a more active role of EBRD in ensuring sustainable growth of developing countries.

Against this backdrop, I would like to make a few suggestions on where EBRD's policies should be headed.

First, in response to the growing demand for development, EBRD should attract participation of member countries to secure sufficient resources and to share their know-hows with developing countries.

In this regard, I welcome the Board approval of India's membership into the Bank, and hope that EBRD will continue to expand its member base and play a bigger role in the field of international development.

In addition, I believe that EBRD's unique project model that supports country's transition into market economy can easily attract participation from the private sector. This feature can be utilized to also attract active participation from existing member countries.

The second point I would like to emphasize is the need to diversify regions of support based on the rising needs across the globe.

In this context, I highly value the EBRD's initiative expanding its countries of operation from the traditional former Soviet Bloc to Mongolia, the SEMED region, Westbank and Gaza.

I also strongly support the EBRD' plan to expand into Sub-saharan Africa as this region has high demand for private sector development and active economic exchange with our member countries. Korean will closely cooperate with the EBRD so that this

initiative to expand into Sub-saharan Africa would make progress in accordance with the timeplan the EBRD has proposed.

In order to address more regions with our limited resources, we need to review our policies and projects and improve their effectiveness and efficiency.

I also believe that we need to create synergy by working with other international organizations such as the World Bank, the ADB, and the IDB. In particular, I would like to mention the Annual Meetings of the African Development Bank which will be held this month in Busan, Korea. Cooperation with AfDB will be an opportunity for the EBRD to help the economic development of the Sub-saharan region.

Lastly, I would like to highlight the need to support various types of projects that can provide environment for recipient countries to grow on their own and ensure the success of the recently-implemented Economic Inclusion Strategy.

Knowledge-sharing programs, in addition to investment, are critical in this sense, to make sure that our support leads to not only short-term impacts but also growth potential and sustainable development in the long-term.

Korea has recently approved the financing of “Women in Business” project in Romania, and we will continue to explore various ways to support development with EBRD. We will not hold back our support through the technical cooperation fund, and KSP to help improve the independence and stimulation of recipient countries.

Fellow governors, and ladies and gentlemen,

Despite the uncertainties in the global economy, the close cooperation among the

member countries allowed EBRD to achieve record performance last year, successfully supporting the transition of recipient countries. I hope EBRD will continue to play a pivotal role in Europe, Middle Asia and the SEMED countries under President Chakrabarti's leadership

As the only country that has transitioned from a recipient to a donor country with its rapid economic development, Korea will join EBRD's efforts and share our experience to help developing countries grow.

Thank you.