

# REPUBLIC OF KOREA

## **Governor Statement**

Republic of Korea

IL Young Park, Temporary Alternative Governor

Honorable Chair Nadia Calviño,  
UK Prime Minister Boris Johnson,  
Acting EBRD President Jürgen Rigterink,  
and distinguished fellow Governors,

It is indeed my pleasure to be here with all of you, if only virtually, as the world grapples with COVID-19.

On behalf of the Korean government,

I am deeply grateful to the British government and all EBRD staff for successfully organizing this Annual Meeting.

I would also like to send special thanks to Acting President Jürgen Rigterink for stepping up to lead the EBRD through these difficult times. I very much look forward to this Annual Meeting as an opportunity to elect a president with sterling credentials.

This year, the world has been faced with the enormous challenges brought about by the coronavirus pandemic. The public health crisis has been compounded with a major economic crisis worldwide.

The global COVID-19 death toll has passed one million, and there are growing concerns over the occurrence of a 'twindemic.'

The global economy has been plunged into a deep recession. Precautionary and forced savings have reduced domestic demand due to the spread of the virus and the resulting social distancing measures. Economic shocks have been exacerbated by supply shocks including factory closures and other factors such as lockdown and trade restrictions.

No country is immune to these adversities. However, they take an even greater toll on less developed countries, which have weaker healthcare capacity and less fiscal space compared to developed nations.

Under these circumstances, we must continue to provide unwavering investment and support for less developed nations to help them beat the crises and prevent the embers of sustainable growth from being extinguished.

Against this background, I would like to praise the EBRD for your active and swift response putting together a 21 billion euro Solidarity Package for combating the COVID-19 crisis. I am glad that these commitments have been incorporated into the Strategic and Capital Framework (SCF). These include speeding up the transition to a green economy, further embracing the use of emerging technologies including digital technology, and closing opportunity gaps.

Throughout this entire process, I trust in the EBRD's capacity as a smart disseminator of knowledge. I hope the EBRD will be able to transfer knowledge through technological assistance and policy consultations while also providing fiscal and financial support.

2020 is a year for setting out the SCF for the period from 2021 to 2025. I hope that the

EBRD will be able to clearly identify the Bank's responsibilities and future direction amidst the recent social and economic transformation.

In this regard, I believe there are three priority areas that the EBRD should focus on in the post-COVID-19 era.

First, expanding trans-national solidarity and collaboration. Global collaboration is important as Global Value Chains (GVCs) are weakening due to limits on people-to-people and physical interactions and we now face greater vulnerability managing debt distress for recipient countries. Promoting trade also requires support, such as special entry procedures for business travelers.

Sharing knowledge and experience is necessary if we are to achieve this. I trust that the EBRD will share successful policy responses in the public health and economic fields, take the situation of each country into consideration, and deliver insights in applicable formats.

Second, accelerating digital investment in response to the shift towards non-face-to-face practices and digitization.

To this end, we will stand ready to invest more in building digital infrastructure, which is currently lacking in developing nations. Under a regulatory framework that fosters new technologies, we will be sure to lay a self-sustaining foundation on which existing companies and emerging startups can pursue innovation. Education and digital infrastructure should be available to vulnerable populations to prevent them from having fewer opportunities due to the growing digital divide.

I am pleased that digital transformation is a large part of the SCF. We have high expectations for greater contributions from the EBRD in this domain.

Third, more secure and robust employment and social safety nets to protect vulnerable groups.

The socioeconomic transitions induced by COVID-19 may come as yet another shock to vulnerable populations. The complementary role that IFIs play in alleviating polarization is paramount, given the impending work to be done and the limited capacity and difficult conditions in developing nations.

In order to ensure we can make a soft landing after the pandemic, I would like to request that measures to strengthen employment and social safety nets for vulnerable populations be reflected in the toolkit. These include reinforcing industrial safety measures, introducing employment insurance and broadening its coverage.

In Korea, we have a proverb that says "The ground becomes firmer after the rain." This saying refers to the fact that our foundations become even stronger once we have weathered a storm.

The current pandemic is presenting considerable challenges to all of us. But if we continue to pull together to tide over these difficulties, we will be able to build even stronger growth engines and resilience after the crisis.

Our goals are to overcome the COVID-19 crisis and plan for the future – and it's in that spirit that we must continue to march forward.

Thank you.