

REPUBLIC OF KOREA

KEYNOTE SPEECH – REPUBLIC OF KOREA

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Honorable Chair Pier Carlo Padoan,
Chancellor of the Exchequer George Osborn,
President Suma Chakrabarti,
Fellow Governors,

It is my great pleasure to meet you today at the 2016 EBRD Annual Meeting in this beautiful city of London, where the headquarters of the European Bank for Reconstruction and Development (EBRD) is located.

On behalf of the Korean government, I would like to thank the government of the United Kingdom and the EBRD staff members for successfully hosting the Annual Meeting with their warm hospitality.

Also, I express my deep appreciation to President Suma Chakrabarti for setting out “Priorities for the Medium Term” at the last year’s Annual Meeting.

Distinguished guests,

As you are well aware, the pace of global economic recovery has been slow as we can see from lower than expected growth and declining global trade.

There are also downside risks in the global economy, including uncertainties in major economies' monetary policies, slowdown in the Chinese economy, and increased financial market volatility.

However, even under this challenging environment, the EBRD has successfully implemented its development programs and expanded its reach to Central Asia and the Southern and Eastern Mediterranean (SEMED) region.

I would like to acknowledge the EBRD's unwavering commitment to achieving economic prosperity of member countries and the global economy.

I hope that the EBRD will further strengthen its support and develop innovative programs for its member countries' transition towards a market-based economy.

Fellow Governors,

This year marks the 25th anniversary of the establishment of the EBRD.

In this conjuncture, I would like to make a few suggestions in setting the path for the EBRD's next 25 years.

(1) Setting Up New Version of "Transition"

First, the Bank should redefine its role as a "Transition" supporter.

For the past quarter century, the EBRD has actively supported the member

countries' transition toward a open and market-based economy through private sector development.

However, in the aftermath of the global financial crisis, market confidence about the global economic outlook and financial stability has weakened.

Against this backdrop, there has been increasing demand for “new growth engines” and “economic inclusion.”

This suggests that we need to set up a new version of “Transition” for the EBRD.

Successful “Transition” in the next 25 years will require the establishment of a “Well-Functioning” market economy, which is well-innovative, well-sustainable, well-inclusive, and well-governed.

To this end, the Bank should strengthen its policy dialogue with the clients, in order to develop tailored programs that can meet each client's unique needs and thereby maximize the “transition” impact.

At the same time, the Bank needs to further diversify its funding sources so that it can provide recipient countries with a stable flow of financial resources.

(2) Establishing a “Knowledge Management System”

Second, I would like to suggest that the Bank create an effective “Knowledge Management System.”

This system will make the Bank's 25 years of expertise and know-how on

transition readily available.

Furthermore, under this System, the Bank can produce analytical works and “best practices” by thoroughly conducting case studies of recipient countries and identifying cross-cutting policy issues.

Those works will be useful for the Bank to remain well prepared for new “transition” cases in the future.

Ultimately, the effective operation of the System will help bolster the EBRD’s performance in supporting transition in the next 25 years.

(3) Building Stronger Partnerships

Third, the Bank needs to build stronger partnerships with other international organizations.

I am aware that the Bank is now working hard to expand its geographical reach.

Recognizing the strategic importance of Asia, the Bank has recently increased the assistance to the Central Asian region.

Going beyond, I would like to suggest that the Bank establish robust partnership with the Asian Infrastructure Investment Bank (AIIB) and undertake many joint works including co-financing projects.

These efforts will create positive impact on the Asian and global economy by

providing resources more effectively for infrastructure development needs.

The Bank is also expanding the areas of investment.

With the launch of the Sustainable Resource Initiative (SRI), the Bank has increased its investment in projects to improve energy efficiency and develop renewable energy.

I propose that the Bank enhance its collaboration with other international institutions such as the Green Climate Fund (GCF) in order to identify promising investment projects that can contribute to ensuring environmentally sustainable growth.

Distinguished guests,

Throughout the history, the international community has shown its remarkable capacity to overcome many challenges and crises by coming up with effective “global solutions.”

As such, I have a strong belief that the EBRD will help guide member countries successfully navigate through current challenges.

I hope that this year’s Annual Meeting will be a meaningful opportunity for the EBRD to renew its commitment to becoming a more reliable development partner.

Korea, as a founding member country, has strong commitment to our responsibility of supporting the transition of member countries.

Thank you very much.