



**Welcome and Opening Remarks by
Xiaoyu Zhao
Vice President, Operations 1
Asian Development Bank**

**At the Senior Officials' Meeting
16 April 2010
ADB Headquarters, Mandaluyong City**

Introduction

Ministers, distinguished participants from the CAREC countries, ladies and gentlemen:

It is a pleasure for me to open the first [Senior Officials' Meeting](#) of the year 2010, and to welcome all of you to the Philippines. On behalf of the Asian Development Bank, I wish to express my gratitude to the Government of Afghanistan for agreeing to hold this meeting here at ADB Headquarters. I would also like to thank Deputy Minister Said Mubin Shah for chairing the meeting. I wish to take this opportunity to thank all [CAREC countries](#) for the trust and support that they have been giving to ADB as secretariat for the [CAREC Program](#). ADB is committed and will continue to serve CAREC member countries to the best of its ability for the region to prosper through economic cooperation.

Many of you have traveled a great distance to be here, and I believe this demonstrates the firm commitment that the CAREC countries have to strengthening regional cooperation. All of us in ADB appreciate your participation and I am confident that your deliberations today and tomorrow will be worth your time and effort in coming to Manila. The achievements and benefits of CAREC are clearly noticed by others in the region, and we hope the outcomes of this meeting will strengthen those perceptions.

I would like to acknowledge the presence of special guests from the governments of Turkmenistan and Pakistan. On behalf of the entire CAREC family, I thank you for joining us at this meeting.

Recent Economic Performance

We meet at a time when the global economy is still fragile and there are uncertainties about how fast and steady the recovery will be. The crisis spread from advanced economies to the rest of the world, including Central Asia, through various means, most notably trade and finance.

ADB's [Asian Development Outlook 2010](#) publication, launched earlier this week, noted the strong economic recovery being experienced in developing Asia, which is expected to continue in the next 2 years. The region, however, continues to face several risks, including a slower global recovery, sharp increase in commodity prices, and the persistence of global imbalances.

We expect to see the CAREC economies resume their previous strong economic growth. With its inherent endowments and proximity to rapidly growing markets in South Asia, East Asia, and the Russian Federation, Central Asia is well poised to reap the benefits of its strategic location. In order to bolster economic resilience and reduce vulnerability to external shocks, the region's policy makers need to develop policies that can help build domestic capacity and enhance regional cooperation. Achieving this will require removal of barriers to intra-regional trade, particularly cross-border obstacles to trade; greater physical and cross border connectivity; and enhanced cooperation to institutionalize initiatives for easing intra-regional and transit trade.

RCI in CAREC

The CAREC Program has maintained its focus and is delivering on its goal of development through cooperation. The rationale for regional cooperation in Central Asia is clear. Small populations, vast distances to markets, and land locked geographies make cooperation a necessity for strengthening economies and improving standards of living. We believe that key targets for 2017 will undoubtedly be achieved. These include improvements to 100% of the CAREC corridors, an increase in transit trade between Europe and East Asia via the corridors from 1% to 5%, and a 65% reduction in border crossing times. This should help rebalance growth toward domestic and regional demand and strengthen the competitiveness of the countries individually and as a region.

ADB stands firm in its commitment to regional cooperation and integration, not just in Central Asia but across Asia-Pacific. [Strategy 2020](#) — ADB's long-term strategic framework — identifies regional cooperation and integration as one of its three complementary development agendas, and one of four core areas of operations. In this regard, ADB will progressively raise its aggregate public and private lending at the regional and subregional level to at least 30% by 2020.

Importance of the April SOM

Today's Senior Officials' Meeting is an opportunity for us to sharpen our focus on implementing the strategies and action plans in the [four priority sectors of CAREC](#). We will also review progress since the [8th Ministerial Conference](#) last October. This meeting is also important for laying the groundwork not only for the 9th Ministerial Conference later this year, but for all of 2010–2011.

Next year, we will celebrate the 10th year of CAREC's institutional arrangements. It is an ideal time to commemorate what we've achieved over the past decade, and showcase CAREC to the world. Your Leaders may even consider gathering together during the 10th anniversary to celebrate CAREC's progress and provide guidance for the next 10 years of cooperation. Implementation of the CAREC Results Framework and findings from the proposed 10-year commemorative study will provide us with ways to better measure what has been achieved and demonstrate that regional cooperation and integration contributes to economic development. With a more sharpened focus toward implementing the various action plans, it is increasingly becoming important that CAREC countries take greater ownership of the sector coordinating committees as was envisaged when the overall institutional framework was endorsed by the CAREC Ministers almost a decade ago.

Conclusion

Like every year, we have a lot of challenging work ahead of us. We know it isn't always easy, but our past efforts at cooperation reveal that we can work together and achieve results.

I wish to reiterate my appreciation to CAREC officials for your untiring efforts to promote genuine regional economic cooperation. I am grateful to our CAREC partners from the other multilateral institutions for their valuable assistance to the CAREC Program. And I am pleased to reaffirm ADB's commitment to regional cooperation and integration, in general, and our strong support for CAREC, in particular.

Finally, I sincerely wish you all success in this Senior Officials' Meeting and look forward to the outcome of your deliberations.

Thank you very much.