GREAT EXPECTATIONS

Since assuming the Presidency of the ADB, I have been overwhelmed by the high expectations which have been vested in this institution. While there is no doubt that this interest is pleasant music to my ears, I sometimes get the impression that people expect me to pull development rabbits out of my hat. I must confess that I am neither conjuror nor magician. There is no shortcut to economic development. The only road to prosperity is long and arduous, and demands the sweat and sacrifice of the developing nations themselves if their aspirations are ever to become actuality. The Asian Development Bank is only here to help.

How the Bank can best be of help is the issue. It is clearly evident that money alone is not sufficient salve to heal the economic ills of Asia; a truly lasting cure demands a multitude of medications. However, as a bank, there is no doubt that our main contribution will be in facilitating the flow of money. The best laid plans of any entrepreneur become purely academic and quite anemic without the proper flow of funds with which to implement them. We are well aware of the vast needs of this region, requirements which even a billion dollar capitalization can only begin to sate.

It is within this framework that I would like to address my remarks today; namely, how can the ADB make the most meaningful contribution to economic development with its limited resources, and what steps can be taken to expand and augment that capital base?

There is a fear amongst the members of this region that the Asian Development Bank will do little more than serve as a substitute for the existing stream of capital inflow. If, for example, ADB loans merely replace World Bank loans, the total of available financial resources will remain static. This is, however, not at all the intention of our founders. It was their design to create an entirely new institution which could attract additional capital to Asia; not simply to rechannel existing funds.