

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

FINANCE MINISTER INAUGURATES THE EMINENT PERSONS' FORUM TO MARK THE COMMEMORATION OF 25 YEARS OF INDIA-ADB PARTNERSHIP; CALLS UPON ADB TO HELP IN SUSTAINING GROWTH THROUGH ITS STUDIES; ASSERTS THAT IN MEDIUM TO LONG-TERM, INDIA REMAINS FIRMLY ON A HIGH GDP GROWTH PATH OF 8.5 TO 9 PER CENT

New Delhi: Asvina 25, 1933
October 17, 2011

The Union Finance Minister Shri Pranab Mukherjee calls upon Asian Development Bank (ADB) to cover new ground through study and research on how Asian countries can help harness skills and innovations for sustaining growth. The Finance Minister Shri Mukherjee said along with it, ADB' studies should focus on how Asian societies can pioneer innovations and technological change? How social protection schemes can be better designed and how they can be inter-woven with an inclusive development agenda, the Minister added? The Finance Minister Shri Pranab Mukherjee said ADB's studies should also cover all countries of Asia and not confined only to ADB members. West Asia and the Gulf are important growth poles in Asia. ADB should analyze developments in these nations and incorporate them into comparative studies with the rest of Asia, to enable a holistic understanding of trends and development patterns in the Asian region, the Minister added.

The Finance Minister Shri Mukherjee said that in the medium to long-term, India remains firmly on a high GDP growth path of 8.5 to 9 per cent. He said that we, however, need to be alert and respond to emerging challenges and concerns, in a timely manner as we make efforts to achieve our potential as a young fast growing nation. Shri Mukherjee said that India looks upon ADB as a Knowledge Bank. He said that ADB's initiative in undertaking a study on Asia 2050, Asian Development Outlook 2011's focus on South-South Cooperation and ADB's comparative work on ASEAN, Chinese and Indian economies are particularly commendable. The Minister said that India's partnership with ADB has been both meaningful and enriching. It has resulted in a sustained and qualitative intervention to bring about a positive change in the lives of our people, the Minister added.

The Union Finance Minister Shri Mukherjee said that like many other countries, food security and volatility in commodity prices has been a matter of concern for India. Shri Mukherjee said that we recognize that increase in agricultural production on a sustainable basis is the only long term solution to the problems of availability as well as high and fluctuating food and commodity prices. The Finance Minister Shri Mukherjee said that ADB needs to focus on issues that help in linking farms to markets and promote research

activities and efforts in improving productivity of dry-land farming, efficient use of water, rain-fed irrigation, development of drought-resistant varieties of seeds and other similar concerns. Both intellectual and innovative physical efforts are needed to give a new meaning to the concept of sustainable development. The Finance Minister said that we look forward to drawing on ADB's vast experience and expertise for implementing projects that contribute to a more efficient use of water and other natural resources.

The Union Finance Minister Shri Pranab Mukherjee was delivering the keynote address after inaugurating the Eminent Persons' Forum along with the President, Asian Development Bank (ADB) Mr. Haruhiko Koruda, today in the national capital to mark the commemoration of the 25 years of India-ADB partnership. This was followed by panel discussions, in which eminent personalities and experts are participating. Among others, Secretary for Finance, Government of Republic of the Philippines and Minister of Finance II, Malaysia, would also participate in the panel Session on the theme '**Realizing the Asian Century**', which will be Chaired by the Union Finance Minister Shri Pranab Mukherjee.

The Union Finance Minister Shri Pranab Mukherjee further said while there are some well functioning regional groupings in Asia, there is **an urgent need for further progress towards the building of a Pan-Asian community**. He said that the re-emergence of Asia on the world stage calls for renewed efforts to develop an '**Asian consciousness**' and forge strong bonds of unity within the region. Shri Mukherjee said that ADB has pursued and encouraged sub regional cooperation within Asia through its South Asia Sub-Regional Economic Cooperation programme, the Greater Mekong Initiative etc. He said as Asia's multilateral development bank, with a membership of 67 countries, 48 from the region and 19 from outside, ADB is uniquely placed **to advance the goal of bringing the whole of Asia together on one platform and promoting the idea of a fully integrated and seamless Asia**. India is willing to extend every possible cooperation to the ADB in this endeavor, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said ADB should take up South-South cooperation as a priority and become a vehicle for countries to share their experiences in inclusive growth and poverty alleviation. India stands ready to help and partner ADB in its vision of achieving a hunger and poverty free Asia and to make available to others in Asia its experience in nation building, the Minister concluded.

Narrating the history of long partnership between India and ADB, the Finance Minister Shri Mukherjee said that our nation in the late 1980s, needed resources to finance its development, which ADB readily provided. In the 1990's, he said that we started reforming by dismantling the license-permit raj and opening up our economy, which unleashed the entrepreneurial energies of our people. As India progressed in engineering this economic transition, ADB responded to our changing requirements, the Minister added. Beginning with energy, transport and urban sectors, ADB has today diversified its portfolio in India to include agriculture, khadi reform, water management and renewable energy sectors, the Finance Minister informed. It has expanded its engagement by making meaningful interventions for capacity building in a number of States.

The Union Finance Minister Shri Pranab Mukherjee said that ADB's work in support of the Government is improving the lives of millions. With the help of the ADB, the Government has successfully pioneered a number of development innovations across the country, Shri Mukherjee added. He said that lessons learnt from these innovations have contributed to the evolution of a

new policy of engagement with all **Multilateral Development Banks (MDBs)** which we have termed **‘Finance Plus’ approach**. Under this approach, the Finance Minister said that the Government has decided that all future assistance from MDBs should leverage to the maximum their vast international experience, knowledge base and familiarity with global best practices. Moreover, MDBs assistance to India should yield a systemic transformation in the sectors they engage in, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said that quality infrastructure is critical for enhancing productivity and for sustaining the growth momentum. The Twelfth Five Year Plan (2012-2017) has an ambitious target of infrastructure investment estimated at US \$1 Trillion or nearly 10 per cent of India’s GDP. The Finance Minister said that ADB’s investment support in this sector has been noteworthy. It has also provided valuable technical assistance in Public Private Partnerships (PPP) for infrastructure development, the Minister added. The Union Finance Minister Shri Pranab Mukherjee said that we need to further step-up the momentum of our collaboration in this important area, considering the huge investment needs of the sector. He said that achievement of an inclusive and environmentally sustainable growth also calls for support of alternate and renewable energy sources. The Finance Minister Shri Mukherjee said we hope ADB’s assistance in developing clean and alternative sources of energy and technologies to expand energy efficiency measures on all fronts would be further scaled-up.

DSM/SS/GN

Full Text of the Union Finance Minister’s Speech made on the occasion is given below:

**Union Finance Minister’s Speech
at 10 AM at
ADB-India Partnership Inaugural Session, October 17, 2011**

Your Excellency Mr. Haruhiko Kuroda, President ADB,
Your Excellency Mr. Cesar V. Purisima, Finance Secretary of Philippines,
Your Excellency Dato Seri Ahmad Husni Mohamad Hanadzlah, Finance Minister of Malaysia,
My Ministerial Colleagues,
Distinguished Guests,
Ladies and Gentlemen,

I am extremely happy that India and the ADB are together celebrating the twenty fifth anniversary of our partnership in shaping the development story of India. It is also a matter of special joy that the Hon’ble Finance Secretary of the Philippines and Hon’ble Finance Minister II of Malaysia are

with us today on this happy occasion. I warmly welcome both of you and would like to reiterate how much India values its close bonds of friendship and cooperation with your great countries.

2. India's partnership with ADB has been both meaningful and enriching. It has resulted in a sustained and qualitative intervention to bring about a positive change in the lives of our people.

3. A commemoration is a time to review the past and to reflect on the road traversed. It is also the occasion to look into the future and visualize the further potential of the partnership.

4. Our nation In the late 1980s, needed resources to finance its development, which ADB readily provided. In the 1990's, we started reforming by dismantling the license-permit raj and opening up our economy, which unleashed the entrepreneurial energies of our people. As India progressed in engineering this economic transition, ADB responded to our changing requirements. Beginning with energy, transport and urban sectors, ADB has today diversified its portfolio in India to include agriculture, khadi reform, water management and renewable energy sectors. It has expanded its engagement by making meaningful interventions for capacity building in a number of States.

5. ADB's work in support of the Government is improving the lives of millions. With the help of the ADB, the Government has successfully pioneered a number of development innovations across the country. Lessons learnt from these innovations have contributed to the evolution of a new policy of engagement with all Multilateral Development Banks (MDBs) which we have termed 'Finance Plus' approach. Under this approach, the Government has decided that all future assistance from MDBs should leverage to the maximum their vast international experience, knowledge base and familiarity with global best practices. Moreover, MDB assistance to India should yield a systemic transformation in the sectors they engage in.

6. In the medium to long-term, India remains firmly on a high GDP growth path of 8.5 to 9 per cent. We, however, need to be alert and respond to emerging challenges and concerns, in a timely manner as we make efforts to achieve our potential as a young fast growing nation

7. Quality infrastructure is critical for enhancing productivity and for sustaining the growth momentum. The Twelfth Five Year Plan (2012-2017) has an ambitious target of infrastructure investment estimated at US \$1 Trillion or nearly 10 per cent of India's GDP. ADB's investment support in this sector has been noteworthy. It has also provided valuable technical assistance in Public Private Partnerships for infrastructure development. We need to further step up the momentum of our collaboration in this important area, considering the huge investment needs of the sector. Achievement of an inclusive and environmentally sustainable growth also calls for support of alternate and renewable energy sources. We hope ADB's assistance in developing clean and alternative sources of energy and technologies to expand energy efficiency measures on all fronts would be scaled up.

8. Like many other countries, food security and volatility in prices has been a matter of concern for India. We recognize that increase in agricultural production on a sustainable basis is the only long term solution to problems of availability as well as high and fluctuating food and commodity prices. ADB needs to focus on issues that help in linking farms to markets and promote research activities and efforts in improving productivity of dry-land farming, efficient use of water, rain-fed irrigation, development of drought-resistant varieties of seeds and other similar concerns. Both intellectual and innovative physical efforts are needed to give a new meaning to the concept of sustainable development. We look forward to drawing on ADB's vast experience and expertise for implementing projects that contribute to a more efficient use of water and other natural resources.

9. India looks upon ADB as a Knowledge Bank. Its initiative in undertaking a study on Asia 2050, Asian Development Outlook 2011's focus on South-South Cooperation and ADBI's comparative work on ASEAN, Chinese and Indian economies are particularly commendable. I would like to call upon ADB to cover new ground through study and research on how Asian countries can help harness skills and innovations for sustaining growth. How Asian societies can pioneer innovations and technological change? How social protection schemes can be better designed and how they can be inter-woven with an inclusive development agenda?

10. Further, ADB's studies should cover all countries of Asia and not confined only to ADB members. West Asia and the Gulf are important growth poles in Asia. ADB should analyze developments in these nations and incorporate them into comparative studies with the rest of Asia, to

enable a holistic understanding of trends and development patterns in the Asian region.

11. While there are some well functioning regional groupings in Asia, there is an urgent need for further progress towards the building of a Pan-Asian community. The re-emergence of Asia on the world stage calls for renewed efforts to develop an 'Asian consciousness' and forge strong bonds of unity within the region. ADB has pursued and encouraged sub regional cooperation within Asia through its South Asia Sub-Regional Economic Cooperation programme, the Greater Mekong Initiative etc. As Asia's multilateral development bank, with a membership of 67 countries, 48 from the region and 19 from outside, ADB is uniquely placed to advance the goal of bringing the whole of Asia together on one platform and promoting the idea of a fully integrated and seamless Asia. India is willing to extend every possible cooperation to the ADB in this endeavor.

12. Finally, ADB should take up South-South cooperation as a priority and become a vehicle for countries to share their experiences in inclusive growth and poverty alleviation. India stands ready to help and partner ADB in its vision of achieving a hunger and poverty free Asia and to make available to others in Asia its experience in nation building.

Thank you
