

SPEECH BY THE MINISTER FOR FINANCE OF  
THE REPUBLIC OF SINGAPORE, MR HON SUI SEN,  
AT THE NINTH ANNUAL MEETING OF THE BOARD  
OF GOVERNORS OF THE ASIAN DEVELOPMENT BANK  
IN JAKARTA, APRIL 22 TO 24, 1976

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(Delivered on Thursday, April 22, '76)

At this Annual Meeting of the Asian Development Bank's Board of Governors held for the first time in Jakarta, I wish to thank the Government of Indonesia for its generous hospitality and the excellent facilities extended both to my delegation and to myself. I would also like to congratulate the staff of the Bank for the excellent arrangements which they have as usual provided for the Meeting, although it must always be more difficult for them away from headquarters.

2 Mr Chairman, the Annual Report of the Bank makes very interesting reading. I must congratulate the Bank in having its data on the performance of Developing Member Countries so . . . relatively up-to-date. I was particularly pleased to read that three of our ASEAN neighbours, Indonesia, the Philippines and Thailand were among the five countries in the ADB region which showed a significant growth rate in 1975 over that in 1974. I can only hope that the remaining two members, Malaysia and ourselves, will in 1976 also join the select circle of better performers.

3 For Singapore, 1975 was a bleak year of slowdown in economic activities. However, the diversified nature of our economic structure cushioned the impact of world economic conditions on Singapore's open economy. Singapore had a GDP

growth of 4.1 per cent. Economic activities in Singapore picked up significantly in the second half of 1975. The resilience in the service sector compensated for the sluggishness in manufacturing and trade. This year we expect to record a GDP growth of 6 to 8 per cent.

4 Mr Chairman, I must congratulate the Bank also on the impressive results of the Bank's lending activities which the Annual Report shows as having registered substantial growth in 1975. Total lending during the year was \$660 million, representing a 21 per cent increase over 1974 and bringing the cumulative lending since 1968 to almost \$2,600 million. Ordinary loans rose by 32 per cent to \$494 million, while concessional lending from Special Funds resources dropped slightly below 1974's figure of \$173 million to \$166 million. The average size of the Bank's loans increased from \$13.7 million in 1974 to \$16.1 million in 1975. In addition, technical assistance projects showed a substantial growth from \$5.6 million in 1974 to almost \$7 million. I am glad to note that increasing attention is now given, both in loans and in technical assistance, to the social aspects of development which will benefit both the urban and rural population.

5 Because of the shortage of Special Funds resources, I appreciate that the Bank's concessional lending for 1975 was somewhat restricted, resulting in a drop in the annual level of concessional loans approved. Of the \$486.1 million pledged

under the initial mobilisation for the Asian Development Fund, \$416.1 million was already committed by December 1975; the balance is expected to be committed in early 1976. In order that the Bank can continue its Special Fund Operations, an early replenishment of the Fund is desirable. Therefore, I note with pleasure the proposed multi-lateral replenishment of the Fund in the aggregate amount of \$830 million indicated by the Bank's seventeen developed member countries to enable the Bank to provide concessional loans over the three-year period 1976-78. The developed member countries who have contributed generously in the past to the Fund deserve our praise for their continuing effort to help the developing member countries in their development programme.

6       The Bank's Ordinary Operations are financed out of capital resources' from subscribed capital and borrowings. Even with the proposed increase in capital stock, the Bank will still be dependent on borrowings for future lending. In 1975, the Bank raised an equivalent of \$323 million in eight borrowings. This is more than the Bank's total borrowings up to 1974. For 1976, I would like to suggest the Asian Dollar Market in Singapore as an additional source of borrowings. The European Investment Bank recently came to this Market. Should the Bank wish to make use also of our Asian Dollar Market facilities, I shall be happy to offer it all the concessions available. I believe a Bond Issue by the Bank will be well received by investors in this region.

7        It is encouraging to note the Bank's interest in the financing of regional activities, though judged by its disbursement of only \$0.94 million, such activities must be considered to be still in the rudimentary stage. An opportunity, however, now exists for the Bank in the financing of projects for ASEAN regional cooperation. This will, to some extent, be a follow up of the work in the Asian Industrial Survey for Regional Cooperation, to which the ADB contributed \$200,000 in 1971. The needs for financing of ASEAN industrial projects are large and ADB would be welcomed by the ASEAN countries in trying to arrange financing. Such regional financing should however be additional to the normal level of support for individual ASEAN countries.

8        Thank you, Mr Chairman.

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