

Draft VPKM Opening Remarks

**“Improving Cooperation on Transit, Trade Facilitation and the 2030
Agenda for Sustainable Development”**

The High-Level Meeting for the Euro-Asia Region

7-9 March 2017

Sheraton Hanoi Hotel, Hanoi, Viet Nam

Excellencies, ladies and gentlemen,

Since 1990, more than a billion people in Asia and the Pacific have been lifted out of extreme poverty. While that is admirable to say the least, the fact remains that half of the world's poorest still live in the region. This merely underscores the critical importance of the Sustainable Development Agenda 2030. And, however ambitious they are, we must ramp up efforts to achieve the 17 SDG targets.

At ADB, we stand ready to support our developing members in attaining these targets. Our new corporate Strategy 2030, which advances our current Strategy 2020, will provide a more effective response to the SDGs and prioritize areas where we can enhance our operations and deepen partnerships with our member economies for more sustainable impacts guided by the 2030 agenda. .

One area that clearly drives inclusive growth and poverty reduction is international trade. For developing Asia, the strong value-added derived from trade-related activities will continue to contribute to future economic growth and development. ADB's Regional Cooperation and Integration Strategy supports the cross-border infrastructure, investment and financial integration integral to a regional framework that promotes trade.

We are facing a challenging global environment—the trade growth slowdown now compounded by rising protectionism. Guided by the ADB Strategy 2020, we have provided active support for trade facilitation—through regional, sub-regional, and other programs that foster cooperation and promote international best practices. While much progress has been made, we must work harder to expand trade capacity. Trade infrastructure remains the most important barrier to expanding trade capacity and improving trade flows, particularly for least developed, landlocked and island economies. We recognize that the region's trade competitiveness depends critically on efficient, fast, reliable, and seamless infrastructure connections, which constituted one of the main pillars of ADB's RCI strategy. And.

Investment in sustainable, resilient infrastructure in transport, energy, water and sanitation, among others, is prerequisite to further economic development and achieving SDG targets. Asia's infrastructure needs are large and will only grow. Our latest report on "Meeting Asia's Infrastructure Needs" says that from 2016 to 2030 developing Asia will need to invest \$26 trillion—or \$1.7 trillion a year—to maintain the region's growth momentum, eradicate poverty and, importantly, respond to climate change. This accounts for 5.9% of the projected gross domestic product of developing Asia.

Narrowing the infrastructure gap between current investment and future needs requires new public finance, far greater private sector investment, and innovative sources of long-term capital. Through reforms, the public sector could bridge up to 40% of the gap, but the rest should be borne by the private sector. Multilateral development banks—which currently finance just 2.5% of the regions' infrastructure investment needs—must cooperate to better leverage not just capital, but our collective knowledge and expertise in supporting both public and private sector infrastructure investment.

Further socioeconomic development can be facilitated through comprehensive planning across sectors, efficient resource use, and collaborative decision making. All these need to be translated into a systematic institutional and policy approach for integrated development to improve quality of life as outlined by the SDGs.

I look forward to fruitful discussions over the next 2 days.

Thank you.