

**49th Asian Development Bank Annual Meeting
Alternate Governor's Speech**

By

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Mr Chairman, His Excellency Mr Takehiko Nakao, President of ADB, Fellow Governors,
Delegates, Distinguished Guests, Ladies and Gentlemen,

Let me begin by conveying the greetings and best wishes of the people and the Government of Maldives to my fellow Governors, at this very special 49th Annual Meeting of the Asian Development Bank. I am pleased to note that while the Maldives is towards a growing economy, ADB has been our friend, counsel, and partner in development, for much of this journey. I, therefore, take this opportunity to share our deep appreciation to ADB for its continued efforts towards the economic growth of the country and the region.

I would also like to express my gratitude to the Government of Germany for your warm welcome and hospitality in this beautiful city of Frankfurt. The ADB Annual Meeting is a platform for member countries to exchange dialogue, amongst themselves and with other development partners. As such, I commend the Government and ADB, for the excellent arrangements that have been made to make this meeting opportune for us.

Ladies and Gentlemen;

With the new government elected in 2013, Maldives had embarked on an ambitious economic agenda to transform the economy, and has continued to do well in its economic performance. With the National Budget of 2016, we have initiated policies to ensure sustainable public and private sector growth. We have been able to maintain inflation at a low level, and measures are instilled to reduce deficit. Our Debt to GDP has been on a steady increase since 2005, owing to the necessary reconstruction efforts following the tsunami.

As the islands of Maldives are very geographically dispersed, development efforts are challenging and very expensive, this being one of the major reasons for the increase in debt levels. However, I am happy to note that we have now been able to curb the increasing debt, and maintain the ratio at a manageable level.

Ladies and Gentlemen;

Maldives is a small, forward looking middle-income developing country, with a vision of becoming a resilient, diversified high income economy in the next decade. However, being a dispersed small state, the Government faces many challenges in providing necessary services and meeting the expectations of the people. It is the government's duty to be prudent in its fiscal, economic and monetary policies, and to sustainably meet the expectations of the people. We believe that the challenges faced by the government in doing so can be overcome through the promotion of foreign investment and private sector led-growth. To this end, we have stepped up our efforts to develop an investor-friendly legal system and improve our

macroeconomic stability. It is our expectation that we will see a larger role of the private sector in our growth and development in the near future.

Much investment and financing is required to achieve the objectives of the Maldives' economic reform agenda, and we recognize the need to build within the country the capacity and resources to drive development efforts. We are positive that we will be able to raise much of the required financing for development from revenues and other sources within the country in the near future. As such, we have initiated the process of developing our domestic financial market, to tap into financing opportunities available from domestic sources. Our goal is to issue a long term treasury bond by mid-year, which will not only contribute to the development of the financial market, but also helps to make our fiscal position stronger by helping to mitigate some of the refinancing risks in our current debt portfolio. We are also in the initial stages of developing the secondary market, by creating a trading floor. Given our inexperience in this area, we urge for the ADB's guidance and support in developing our domestic financial system, and thank ADB for the support provided in this area thus far.

Ladies and Gentlemen;

The Maldives' commitment towards environmental conservation and climate change mitigation continues, unwavering. Despite the difficulties we face in addressing the challenges brought on by climate change, with our limited capacities both technologically and financially, we have embarked on several innovative initiatives to mitigate the impact of climate change on our islands. For a country like Maldives, addressing the climate change issue is not an option, but an obligation. We believe environment and climate change needs to be addressed adequately for us to achieve our goal of sustainable growth and development. In this regard, Maldives continues to benefit from the ADB's strategy 2020 and look forward to continue working together in this area.

I conclude by thanking the ADB and the people and Government of Germany for the excellent arrangements made for this 49th Annual Meeting.

Thank you.