



May 04, 2012

NEPAL

**HARI RAJ KHEWA LIMBU
STATE MINISTER FOR FINANCE, Governor**

**Chairman of the Board of Governors,
Fellow Governors,
President Kuroda,
Excellencies, Ladies and Gentlemen!**

It is a great honor for me and my delegation to participate in this 45th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) held in this beautiful city of Manila. On behalf of my delegation, I express my sincere appreciation for the hospitality extended to us since our arrival here by the Government and the people of the Republic of the Philippines. At the same time, I commend ADB for the excellent arrangements made for this Annual Meeting.

We understand that ADB operations in 2011 remained very encouraging with total approval of US dollar 21.72 billion – an increased by 19.38 percent compared to previous year. Let me take this opportunity to thank especially all ADF contributors for generously providing increased volume of assistance for the socio-economic development of Developing Member Countries (DMCs) including Nepal.

Nepal has been closely monitoring the possible negative impacts of global financial crisis even though no significant negative effects have been noticed so far. We are happy to note that climate change has been accepted as the serious global agenda. We would also like to thank ADB for its active involvement for facilitating regional cooperation among the member countries.

At home, the peace process has been completed with the integration of former Maoist Army Combatants into Nepal Army, and with rehabilitation of some of them. This is a major breakthrough in the long-stalled peace process.

We are now very much hopeful that another important and also long awaited task of finalization of a new Constitution by 27 May 2012 is possible. While there is continued needs for more support to complete relief, rehabilitation and reconstruction, I would like to thank the

international community for their generous support for helping us to conclude the peace process.

On macroeconomic front, I am happy to share with you that there have been improvements in the macro-economic indicators with growth rate expected to be 5 percent at the end of this Fiscal Year. Inflation has been contained within 7 percent. Revenue collection has remains encouraging with a growth rate of about 18 percent. With a growth rate of 38 percent, remittance is helping us to maintain a very healthy balance of payment situation. And, foreign exchange reserves are sufficient for the import of 9 months' goods and services. Nepal has made very significant progress towards achieving many of the Millennium Development Goals (MDGs) within 2015. Percentage of people living below the poverty line has declined to 25.2 percent.

With changes in politics and system of governance, Nepal now is moving towards the economic transformation. However, we are still struggling against poverty, overcome energy crisis, create employment opportunities especially for the youths, increase agricultural productivity, and enhance tourism and trade, and bringing much needed investments for infrastructure development.

We are fully committed in utilizing the supports of our development partners for the benefit of people of Nepal. We have been working together with the development partners toward fully operationalising aid effectiveness agenda at the country level by making aid more predictable and transparent. Action Plans on economic reforms leading towards prosperity and governance reforms are being implemented and regularly monitored. An Investment Board has been set up under the Chairmanship of Right Honorable Prime Minister. Settlement of peace process, maintenance of comfortable level of liquidity, and improvement in the share markets and in real estate sector has developed confidence among investors. The Government is fully committed to creating conducive environment for the private sector investment which is vital for higher inclusive growth, along with the creation of e employment opportunities. We are also pursuing a policy of public private partnership to ensure complementarities between the public and private sector.

Finally, once again, on behalf of the Government of Nepal, on behalf of my delegation, and on my own, would like to express my sincere gratitude to the ADB for its continued support for the socio-economic development of Nepal and hope that this long standing partnership will be further enhanced in the days to come.

With this, I wish this Annual Meeting a grand success and thank you all for your kind attention.

Thank you!