

Transcript: World Bank Group President Jim Yong Kim Arrival Press Conference in Seoul

December 3, 2013

DR.KIM: It's a pleasure to be here and thank you all for coming. We will be opening the new World Bank Group office tomorrow and I come here to really focus on the point that Korea is playing an increasingly active role in global development issues, and I hope that this new office will help us expand the collaboration between the World Bank Group and the Korean Government and Korean businesses.

When I first took up my current role I was very encouraged to find that many leaders in Africa and other developing countries wanted to know the story of Korea's economic miracle. As you know, I'm leading the World Bank Group with a new strategy which aims to end extreme poverty by 2030 and promote shared prosperity which means making sure the incomes of the bottom 40 per cent in developing countries grow in a manner that is even faster than the overall economic growth.

The challenge is enormous but I know we can do it, because I've seen Korea do it. Korea used to be called a basket case. We should never say that about any country because look at Korea now.

In the 1950s Korea, an example now of an aid recipient that's become a donor, had a gross national income per capita of only \$67 and this was a few years before I was born here. So at that time it was lower than many countries in Africa and now it's \$23,000 which is the most astounding example of success in economic development.

Korea's experience is extremely relevant. It can act as a bridge between developed and developing countries through the G20. It's a strong supporter of IDA which is the World Bank's fund for the poorest countries and it's been increasing its overseas development assistance at a time when most countries have not been able to do so. Korea's overseas

development assistance has increased sixfold in the last 10 years from under \$200m in 2000 to \$1.3 billion in 2011 and the Government plans to increase to \$3 billion by 2015.

To reach our goals of ending extreme poverty and boosting shared prosperity we're going to have to accelerate the pace of poverty reduction in Sub-Saharan Africa. One-third of countries in Sub-Saharan Africa had an extreme poverty rate of more than 50 per cent [unclear]; in 12 countries it's about 60 per cent and in four countries it's about 80 per cent of the population. You can see then why I'm placing such a high priority on Africa and I hope our new office will strengthen our collaboration so we can leverage Korea's knowledge in the vibrant private sector to play an increasingly large international role.

I recently visited the Sahel with United Nations Secretary General Ban Ki-moon. In the Sahel the living conditions were difficult, as I expected, but I was stunned not by the negative but by the positive things happening there. For example Burkina Faso is expected to grow six per cent this year. They have built a lot of infrastructure, especially in the capital of Ouagadougou, but they're paying \$0.74 a kilowatt hour for electricity which is about seven times the global average. If we can lower the price of energy, if we can get the Sahel region to work as an economic zone with very fluid trade barriers, if we can attract foreign direct investment, the prospects for growth and development in that region are very high.

Investing in emerging markets is a win-win for Korea and it's another area we're focusing on, working as one World Bank Group with IFC, our private sector arm, and MIGA, the Multilateral Investment Guarantee Agency. During my visit I hope to discuss how we can better work together to accelerate the effort to end poverty and boost shared prosperity.

Moderator: We're ready to take questions.

Okay please identify yourself, your organization, and because we want to get as many questions as possible, limit yourself to one question please. Thank you.

Reporter: Thank you Dr. Kim. Cynthia Kim from Bloomberg News. I understand that the Bank is trying to set up a potential infrastructure fund for highways [unclear]. I'm wondering if you got any positive or any responses from South Korean authorities or are they supporting it? Thank you.

DR.KIM: We already work with Korean companies on infrastructure projects but the infrastructure fund we're trying to put together is one that is trying to meet a need, a

tremendous need. There are billions and trillions of dollars of infrastructure needs in the developing world and right now getting access to long-term financing has been very difficult. So we're now working with other multilateral development banks and all of our partner countries to see if we can put something together that we're calling the Global Infrastructure Facility.

My expectation is that as in the past if we are able to put together a Global Infrastructure Facility our expectation is that Koreans will participate at a very high level.

Moderator: Another question?

Reporter: Asia Economic Daily. As you previously mentioned during your statement, I understand that Korea is the only country in the world that has turned itself from an aid recipient into an aid donor and recently, as you mentioned, the Korean Government has been increasing its external development assistance and the Korean Government does have a plan to increase its development assistance to \$3 billion by the year 2015. Do you believe that the size of the overseas development assistance by the Korean Government is sufficient as of now or do you see the normal expansion in terms of quality and quantity.

DR.KIM: This is one of the reasons why we're here. Korea is one of the very few countries over the last few years that have increased their overseas development assistance; the United Kingdom is another. Most have had to really cut back. So I am extremely encouraged by the fact that Korea is increasing their overseas development assistance. One of the reasons we're here though is to make the point that there are so many ways for Korea to leverage the current investment and have an even bigger impact. One of course as I've mentioned is that the Korean experience of development is tremendously inspiring and interesting to countries throughout Africa and the developing world. Korea needs to share those lessons with those countries.

Also we think that in addition to official development assistance that the Korean private sector can play a huge role in helping countries to develop, that's the reason for setting up this office. I'm personally very proud that Korea, in these difficult economic times, has committed to increasing, rather than decreasing, their foreign assistance.

Reporter: My name is [unclear] from YTN. This is not a question related to World Bank, this is a question - but that could be personal, so my apologies first. Actually you are a great role model for the young people in Korea. You grew up in a family that moved to the US when

you were very young but you still rose to this position of the President of the World Bank. I understand that after this press conference you are scheduled to give a lecture at a middle school in Korea as well. So what is the message that you want to share with the young people in Korea and also the Asian Americans in the US?

DR.KIM: Well, I really look forward to visiting Yonggang Middle School and speaking with the students. I think the most important thing now is that when I was born in this country it was still an extremely poor country and my parents went to the United States for greater educational opportunities for me. The great news now is that Korean young people are receiving one of the best educations in the world according to the OECD. So if you look around at people who've been very successful, the most important thing is that they are engaging in activities for which they have great passion and engaging in activities that for them have a purpose and a meaning that goes far beyond themselves.

So I'm going to be asking the junior high school students and all young people in Korea to start thinking about the nature of their responsibility to fellow Koreans, but also to the wider world. I think that Koreans can have a huge impact in tackling issues like poverty, in tackling issues like access to healthcare and education, but also in providing jobs. I think if young people want to go into the private sector there's a huge impact that they can have in places like Africa.

The fundamental issue though for me is that right now Koreans have to be even more outward looking for a lot of different reasons, but mostly because the experience here has been so positive from the perspective of a developing country that everyone now needs to begin thinking about the nature of our responsibility to the rest of the world. I've been travelling quite a bit with Secretary-General Ban Ki-moon and we both find it quite remarkable that here are two people, born in Korea when the country was extremely poor, leading these two organizations.

What we talk about all the time is the nature of our responsibility to others. I think I'm so impressed with Korean young people that if they continue to ask themselves that question not only will Korea grow and the economy flourish but the impact that Koreans will have on the rest of the world will really be astounding and make us all proud.

Reporter: Hi, my name is [unclear] from Channel A and my question is related to North Korea, because previously you mentioned that if there's a political breakthrough the World Bank is ready to help North Korea. But I feel that there could be non-political means that

you can utilise to probably encourage North Korea to open up or to become a member of the international society. So what is your take on this?

DR.KIM: Right now North Korea is not a member of the World Bank Group. In order for it to become a member of the World Bank Group it has to go through some steps, including becoming a member of IMF as well. That means that we would have access to data and that the political environment would be such that we could begin to have this discussion. So at this point because it's not a member there's nothing we can do.

My own sense of this is that first of all North Korea would have to want to join the World Bank and the IMF and importantly I think most of the interested parties would want to see some real change in the political situation. But unfortunately until they become full members of the World Bank and the IMF there's not much that we can do.

Moderator: Okay, time for one more question. The woman in the back -- there.

Reporter: My question is relating to your earlier comment that you expect the private sector of Korea to contribute more assistance to developing countries in the world. Maybe that is one of the purposes that you are visiting Korea this time around. So my question is whether there are any specific discussions that are currently under way with any entities in the private sector with regard to that, for instance, in Africa?

DR.KIM: Well, we're already working very closely with many Korean companies in the developing world. The purpose of my visit was to really focus on some of the countries that people might not expect would be real opportunities for Korean business and in this case I'm talking mostly about Africa. But I also came to give an update on Myanmar, both because we moved so quickly and it's such an area of great interest for Korea, but also as an example of what might happen if there were an opening in North Korea.

So there are no specific deals that I want to talk about right now, because there's many that we're already involved in. But what I would say is I think that there is an under-appreciation of the opportunity in Africa among Korean companies. We wanted to really make it clear that there are great opportunities. Moreover, Korea's a little bit behind. China, for example, has been very aggressively investing in Africa. During the time that they've been investing they've learnt a tremendous amount about the situation on the ground and also developed relationships with big companies and African leaders. This is an area of enormous

opportunity, also not only for strong economic returns but also for having an impact on development.

Moderator: Thank you very much for coming and tomorrow we have another conference at 9:25 and then the World Bank Group office opening in Songdo. Thank you.