Statement by World Bank Group President Jim Yong Kim

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It’s a pleasure to be back in Korea, where we will be opening a new World Bank Group Office tomorrow.

Korea is playing an increasingly active role in global development issues, and I’m hopeful that the 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 am 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 that incomes grow for the bottom 40 percent of the population in every country.

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. Look at Korea now.

Korea is an exceptional example of an aid recipient turned donor, with GNI per capita increasing from $67 dollars in the early 1950’s – lower than many countries in Africa – to over $20,000 dollars today.
So Korea’s experience is very relevant. It is acting as a “bridge” between developed and developing countries through the G20. It is a strong supporter of IDA, the Bank’s fund for the poorest, and it has been increasing its overseas development assistance overall at a time when many countries cannot.

Korea’s overseas development assistance has increased six-fold in the last 10 years, from under $200 million dollars in 2000 to $1.3 billion dollars in 2011 – and the government plans to increase it to $3 billion dollars 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.

More than one-third of countries in Sub-Saharan Africa had an extreme poverty rate of more than 50 percent in 2010. In 12 countries, it is above 60 percent; in four countries, it is above 80 percent.

You can see why I’m placing a high priority on Africa – and I hope our new office will strengthen our collaboration, so we can leverage Korea’s knowledge and its vibrant private sector to play an increasingly large international role.

I recently visited the Sahel with the UN 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 at about 6 percent this year. They’ve built a lot of infrastructure, especially in Ouagadougou. But they’re paying 74 cents a kilowatt hour for electricity, which is about seven times the global average.

If we can lower the prices 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.

During my visit, I hope to discuss how better we can work together to accelerate our work to end poverty and build shared prosperity.

Thank you very much.