

(Check against delivery)

**Statement by H.E. Lee Taeho,
Deputy Foreign Minister for Economic Affairs, Republic of Korea
at the 71st Commission Session of UN ESCAP
on 28 May 2015 at the UN Conference Center, Bangkok.**

Your Excellency Prime Minister Josaia Voreqe Bainimarama,
Executive Secretary Shamshad Akhtar,
Honorable Ministers,
Distinguished Representatives, Ladies and Gentlemen,

Like previous speakers, I would like to express my appreciation to Dr. Akhtar, Executive Secretary, and her entire team as well as the Royal Thai Government for organizing this session of the Commission. I also would like to extend my congratulations to Your Excellency Prime Minister Josaia Voreqe Bainimarama on assuming the Chairmanship of this meeting.

Mr. Chairman and distinguished representatives,

We are meeting this year under a unique circumstance. This year, a post-2015 development agenda is expected to be established. Humanity has an unprecedented opportunity to chart a new international framework to end poverty, transform lives and protect the planet.

The post-2015 development framework will be a critical departure in its approach from the Millennium Development Goals. We will move from a problem-solving approach to a holistic and integrated one that incorporates the three dimensions of sustainable development — economic, environment and social — to set a path leading to the kind of future that we want.

The establishment of the post-2015 framework and its implementation will pose a big challenge to the world. Today, we have to deal with a variety of difficult issues that are complex and closely interconnected. If the international community makes joint efforts under a shared vision, however, this challenge could turn into an opportunity for mankind to make a quantum leap forward.

We in Asia and the Pacific can and should play a leading role in successfully launching this development framework at the UN Development Summit in September.

The Asia-Pacific region has led, since the 1990s, global economic growth. Millions of people were lifted out of poverty. However, almost two-thirds of the world's poor still live in our region. On top of that, we are faced with serious challenges that include the middle-income trap, income inequality, environmental degradation, and a shortage of water, food and energy. Whether or not this region can achieve sustainable development will be a testing case for the entire world.

~~This session of the Commission is the last high-level meeting held in this region before the September Summit.~~ I hope that this session ^{of the Commission} will serve as an important venue to mobilize the collective wisdom and political will of the Asia-Pacific countries.

In light of this, the theme of today's discussion — "Balancing the Three Dimensions of Sustainable Development" — is very timely and relevant. ~~As pointed out in the Secretariat's theme paper,~~ the business-as-usual approach that stresses the maximization of short-term GDP or productivity only exacerbates the trade-offs among economic growth, social justice and environmental protection. Rather, we must have the strategic foresight to pursue an integrated approach to maximize the synergistic effects for both present and future generations.

Mr. Chairman,

~~The Secretariat's theme paper highlights the importance of high-level political commitment coupled with long-term guiding national visions in adopting and implementing the inclusive and integrated approach. At the same time, it points out that the participation and engagement of stakeholders is essential. Korea supports this proposition.~~

~~In light of the resource constraints which always exist in policy-making, it would be difficult to implement the integrated approach without a clear long-term vision for sustainable growth. It is only when there is support from entire sectors of society to the long-term vision that strong political commitment can be sustained. There lies the importance of the participation and active engagement of all stakeholders. In the case of Korea, the "Three-year Plan for Economic Innovation" and the second "5-year Plan for Green Growth" that started last year follow this line of thinking.~~

In light of the resource constraints which always exist in policy-making,

~~Having said this,~~ I believe that in the discussions on the integration and balancing of the three aspects of sustainable development, it would also be useful to focus on the ways to overcome ~~the constraints that hinder this holistic and integrated approach from taking root.~~
these

On top of such elements of constraints as incomplete costing, short-term time horizons of decision making and policy uncertainties, the constraints posed by limited resources — human, financial and natural — may pose an obstacle. Resource-intensive growth strategies are no longer sustainable.

In light of this, I would like to suggest 4 points in order for the region to achieve sustainable development overcoming the resource constraints.

First, countries should pursue continued economic growth with a resource efficient development trajectory. Without continued economic growth, the middle-income trap cannot be overcome and poverty cannot be further reduced. At the same time, the policy's sustainability cannot be guaranteed unless it is oriented towards resource efficiency. ~~The region's economic growth is expected to slow down in the years to come.~~ It is important for Asia-Pacific economies to redouble their efforts to secure new engines of growth by promoting a resource efficient growth path through constant knowledge-based innovation and in-depth structural reforms.

After the rapid economic growth over the past 50 years
~~A 2011 ADB report titled "Asia 2050: Realizing the Asian Century" included Korea, along with some other countries, as an exemplary case of escaping from the middle-income trap and joining the ranks of high-income countries. However, Korea is now faced with such challenges as a rapidly aging population, rigid social mobility, declining growth potential, and increasing unemployment, particularly among youngsters. Sustainability of economic growth, social cohesion and the mobilization of mutually supporting policy tools have become key words of policy-makers.~~

The three-year plan for economic innovation was designed to overcome such difficulties. This plan focuses on changing Korea's economic structure into a creative economy, one that is driven by creative ideas and entrepreneurship, which are non-depletable.

Second, science and ICT technologies should be fully utilized to overcome the human resource and financial constraints. It is true that technological change has been aggravating rising inequalities within and among countries. However, science and ICT technologies can move the outer boundary of resource limitations. It is therefore important for countries to develop policies and systems to foster science and technological innovation. In this regard,

Korea also compliments the work of APC/ICT to

Korea appreciates the inclusion of innovation, science and technology in ESCAP's work plan .
~~and encourages ESCAP to exert more efforts to strengthen the capability of its Member~~
~~States to utilize science and technology.~~ *Countries*

This upcoming October, the Korean government will be holding the World Science Summit under the theme of "Creating our Common Future through Science, Technology and Innovation." We encourage the Asia-Pacific countries to actively participate in this Summit.

Third, increased investments in the development of human resources are also essential to pursue the resource efficient growth path. Investments in this area could help enhance social mobility that is vital for inclusive growth. Poor educational opportunity is an origin of income disparity but at the same time it is an outcome of income disparity. Jobs are the best kind of welfare. Korea puts a high priority on providing young adults and vulnerable groups with the access to life-time education and training, which will in turn increase employment opportunities for them. The World Education Forum held in Korea last week was an important occasion to set an international agenda for "education for all" in the post-2015 era.

In the same context, social development for less advantaged groups in society should be an important part of the sustainable inclusive growth strategy. In this regard, I welcome the opening of the ESCAP Accessibility Centre [today] to which Korea has provided the assistive devices. ~~Korea supports ESCAP's work in the field of social development, including promoting the rights of marginalized groups in society. Korea will continue to work closely with ESCAP and other countries in implementing the 2012 "Incheon Strategy to Make the Right Real for Persons with Disabilities in Asia and the Pacific."~~

Mr. Chairman and distinguished representatives,

As a final point in my address, I would like to stress the importance of strengthened capacity to mobilize domestic resources. ~~Domestic resources could derive from diverse sources such as trade, foreign direct investment (FDI), and tax revenue.~~ Particularly, securing a firm taxation basis should be the highest priority.

~~According to the OECD, a one percent increase in tax revenues has the effect to double the benefits from the official development assistance.~~ The Asia-Pacific region has high potential to make the biggest increase in tax revenues compared to its GDP. The participants of the High-level Consultation on Financing for Development held in April 2015 made various suggestions to increase the tax revenues of countries in the region. Among them are the

prevention of tax avoidance, the strengthening of tax collection capabilities of central and provincial governments, and the enhancement of tax cooperation such as the establishment of an Asia-Pacific Tax Forum. Korea strongly supports these suggestions.

The G20 and the OECD are also planning to finalize by the end of this year the Base Erosion and Profit Shifting (BEPS) Action Plan in an effort to prevent multi-national corporations (MNCs) from avoiding taxes. The OECD Korea Policy Centre has been holding the Asia-Pacific Regional Network Meetings on BEPS with a view to raising the understanding of this project in countries of the Asia-Pacific and to making joint efforts in this area.

Mr. Chairman,

The adoption of the sustainable development framework at the UN Summit this September will provide a significant impetus to Asia-Pacific countries in achieving sustainable development.

To ensure its successful implementation in the Asia-Pacific region, the ESCAP Commission should serve as a regional platform for adopting the roadmap towards the goals and monitoring its implementation. At the same time, we should forge new and effective partnerships among diverse stake-holders such as traditional donors, emerging donors, recipient countries, international organizations, civil societies, and the private sector. Korea looks forward to seeing ESCAP playing a pivotal role in forging this partnership.

Lastly, as the largest donor, the Korean government is fully committed to work together with the ESCAP secretariat and other Member States for the sustainable growth of the Asia-Pacific region.

Thank you.