

Opening session

Han Seung-soo, Prime Minister, Korea

Distinguished participants,

Ladies and gentlemen,

I am honored to speak to you on the special occasion of the 10th anniversary of the OECD Forum. As Chair of this year's Ministerial Council Meeting, I wish to welcome all of you – representative leaders in business, media, academia, civil society, and government – to this important Forum.

I am particularly pleased to assume the chairmanship of the MCM since I have shared a very deep bond with the OECD. As Deputy Prime Minister and Minister of Finance, I was the chief principal minister in charge of negotiations for Korea's accession to the OECD which it successfully joined in December 1996. Since then, I have attached a personal affection for the OECD.

Therefore, I am delighted to renew my longstanding relationship with this noble organization and am privileged not only to Chair the MCM, but to serve as Forum's keynote speaker as well.

Ladies and gentlemen,

Already in its 10th year, the OECD Forum has served as an invaluable institution for the global public to share information, improve communication and foster a climate of enlightened policymaking decisions on various international issues.

This year's deliberations under the theme: "The Crisis and Beyond: For a stronger, cleaner, fairer world economy," seeks to address key global issues related to the unprecedented challenges of our time.

It is an incontrovertible fact that the principal global challenges we now face are twofold: the global financial crisis and climate change. Both require creative solutions, immediate remedy and broad intervention. These challenges are mutually reinforcing and they share a cataclysmic relationship. The cost of failure is incalculable. The welfare of billions of lives is at stake, not to mention a direct impact on future generations. There are security implications ranging from economic turmoil to natural disasters. One is a short term problem while the other is a long term one.

The economic crisis, triggered by the sub-prime mortgage meltdown in the U.S. in 2007, has produced devastating repercussions. We are still grappling with the ripple effects of the so-called “once-in-a-century credit tsunami.” Consumer confidence remains low while anxiety levels continue to soar high. The pervasiveness of “exotic instruments” and various toxic assets in our capital markets are rendering solutions murky at best. To be clear, I am confident that the markets will eventually recover, and we are seeing some indicators of that today. But I make no illusions that the road is long, the journey arduous, and success is contingent on all stakeholders doing their part.

However, these unprecedented crises have warranted unprecedented international response and collaboration. Today, the international community is working tirelessly to stabilize the international financial system while mitigating climate change.

Ladies and gentlemen,

Recognizing the importance of international cooperation in today’s globalized world, governments of major economies came together at the G-20 Summit first in Washington, D.C. last November and then again in London in April this year to discuss ways to strengthen the international financial system and reverse the course of global economic stagnation. It will meet again in Pittsburg in September.

On both occasions, world leaders rolled up their sleeves to discuss practical solutions to resuscitate and strengthen the international financial system. Policy ideas were not only shared, they were cemented. Agreements were not only announced, they were immediately implemented.

These efforts resulted in several important fiscal and monetary measures. Financial commitments included 1.1 trillion US\$ to various programs to improve finance, credit, trade, investment and overall economic activity. An agreement was also reached on broader global regulation of hedge funds and credit rating agencies.

As a member of the G-20 Troika and Chair of the G-20 in 2010, Korea has taken an active role in harnessing global financial cooperation and market stabilization.

The Korean Government spared no effort for policy coordination and collaboration among both the major and developing economies of the world. In fact, one of the initial responses by President Lee, Myung-bak to the financial crisis was to propose a standstill agreement in trade and investment restrictions. This policy was offered at the first G-20 Summit in Washington D.C. last November. Korea also actively engaged in regional cooperative efforts such as drawing out the Chiang-Mai Initiatives which helped to resolve the liquidity shortage of Asian countries.

Ladies and gentlemen,

Unfortunately, the ongoing financial crisis is not the only major global challenge at hand. The ecological crisis stemming from climate change is threatening the very foundation of our survival. The frequency of various natural disasters in recent years such as floods,

cyclones, tsunamis, tropical storms, landslides and droughts, has meant that the economic crisis has only compounded the climate change problem. The causality of human influence on climate change is both direct and undisputed.

Let me draw your attention to the Fourth Assessment Report published in 2007 by the Inter-governmental Panel on Climate Change (IPCC). According to the IPCC Report, the average global temperature has risen by 0.74°C over the past hundred years while it has only risen by 1°C over the past 10,000 years. The sea level has been rising consistently by 1.8 mm per year from 1963 to 2003. Powerful hurricanes and cyclones such as Katrina, Nargis, and Ike are clear reminders that global warming is changing our climate on an unprecedented scale and pace.

The OECD Environmental Outlook published last year assessed that greenhouse gases today have almost doubled since the early 1970s. It has also been predicted that GHG emissions will increase 37% by 2030 and 52% by 2050 as compared to year-2000 figures.

In addition, significant parts of the world population are experiencing a scarcity of safe drinking water while being exposed to increased floods exacerbated by climate change. One billion people in the world today still lack access to safe drinking water and 2.4 billion to proper sanitation. What is even more alarming today is the prevalence and severity of water-related disasters.

With the effects of climate change, not only do we face the possibility of massive humanitarian disasters, but also serious impediments to sustainable development.

Climate change is also an issue area in which we have witnessed the concerted action of the international community.

The Bali Action Plan, adopted at the 13th Conference of the Parties (COP) to the UNFCCC, was a milestone achievement in the global effort to combat climate change. It was the spirit of solidarity and cooperation among the parties that enabled us to reach such a landmark agreement in Bali two years ago.

The G-8 Outreach Meeting in Toyako in 2008 was another positive step forward in our journey towards the post-2012 climate regime. In Toyako, leaders agreed on the shared vision of cutting greenhouse gas emissions in half by 2050. And the international community is intensifying negotiations to craft the future climate change regime to succeed the Kyoto Protocol at the 15th COP in Copenhagen.

Personally, I have been heavily involved in global climate change issues for some time. Before I was called back to public service in Korea last year, I served as Special Envoy of the UN Secretary-General on Climate Change. I also serve as a member of the UN Secretary-General's Advisory Board on Water and Sanitation (chaired by the Prince of Orange of the Netherlands) and as Chairman of the UN High-level Expert Panel on Water and Disaster/UNSGAB.

In these various capacities, I traveled extensively, meeting world leaders and urging them to address climate change issues. In doing so, I emphasized the symbiotic relationship between economic growth and environmental sustainability.

At home and abroad, I witnessed a growing consensus to abandon the conventional economic approach of 'Grow First, Clean Up Later.' A new and fresh policy framework was needed in its place, one that would enable economic growth, prevent environmental degradation and enhance quality of life.

It was against this backdrop that on the occasion of the 60th anniversary of the founding of the Republic of Korea on August 15th last year, President Lee Myung-bak proclaimed "Low Carbon, Green Growth" as Korea's new national vision. This vision aims to shift current paradigm from quantity-oriented and fossil-fuel dependent growth to qualitative-oriented and renewable energy growth.

Through the new paradigm of 'Low Carbon, Green Growth,' Korea is hoping to catch three birds with one stone. The three objectives would be: (1) creating new engines of a higher growth path; (2) ensuring climatic and environmental sustainability and; (3) contributing to the process of international negotiations to fight global warming.

The Korean Government has introduced various measures to set the "Low Carbon, Green Growth" national vision into action. Specifically, in January this year, we initiated the "Green New Deal" policy. It aims to create a low-carbon economy through Green Growth while stimulating job creation through a New Deal. The Green New Deal policy is an amalgam of a long-term policy of enhancing growth potentiality through "green strategy" and a short-term policy of creating jobs and revitalizing economy through "new deal."

With eventual economic recovery, the "New Deal" portion of the policy will be phased out, leaving only "Green Growth" as the major economic policy goal. We are in the process of constructing the Green Growth 5-Year Plan with a 10-Year Rolling Plan. This may be the first attempt of its kind in the world.

By continuously adapting, transforming and modernizing our economic and environmental policies to the changing realities, the Korean Government is working incessantly to move forward beyond the crisis. Furthermore, we are constantly seeking creative, integrated and forward-thinking solutions to these complex issues.

I believe that low carbon, green growth can be a paradigm not only for Korea, but for the international community as a whole. In order to achieve synergy between energy security, climate change mitigation and sustainable development, we need to strengthen mechanisms for greater collaboration and cooperation. I am convinced that investment in a low carbon, green growth policy will yield a "double dividend" effect. That is, it will contribute to economic recovery in the short-term, and help build an environmentally friendly low carbon economy in the long-term.

Ladies and gentlemen,

A prolonged economic or climate change crisis is likely to worsen the global imbalance between countries and regions. This would be more pronounced and exacerbated in the developing world where growth engines have been exhausted.

Recognizing development and poverty eradication as important challenges in the 21st century, the UN Millennium Summit adopted the "Millennium Declaration" in 2000. The Millennium Development Goals were set out in 2001 as a detailed roadmap for poverty eradication bound to be completed by 2015. With a view to achieving the MDGs, the international community has made efforts to mobilize resources through the Monterrey Consensus of the International Conference on Financing for Development in 2002, and the New York Declaration on Action against Hunger and Poverty in 2004 and so on.

The efforts to achieve the internationally agreed development goals have been challenged by the triple global crises—the high food and energy prices, climate change, and more recently the global financial crisis. The impact of the crises is being felt the most by the vulnerable in developing countries with little capacity to respond.

I feel obliged at this point to emphasize that the cost of inaction on the part of OECD countries, in relation to development assistance, would be incalculable. Its far-reaching effects would invariably worsen humanitarian disasters.

We are now at the midterm of the MDGs. Important meetings and negotiations have taken place in Monterrey, Gleneagles and Doha with a focus on prioritizing the Millennium Development Goals. Collectively, we have committed to ending extreme poverty and reducing child mortality and epidemic diseases in Africa, Asia, and other regions of the world. We have also enhanced aid efficiency through deliberations in Rome, Paris and Accra. Now is the time to establish a new vision beyond the Paris Declaration. The High Level Forum on Aid Effectiveness that will take place in Seoul in 2011 will be an important opportunity to narrow the income disparities between the developed and developing nations.

Ladies and gentlemen,

The global challenges we face today transcend boundaries and affect us all. Whether through the interconnectedness of the financial system or the environmental life cycle, we have all become global stakeholders. We may recall that when Mr. Jean Monnet dreamed of the European Integration, he sought cooperation and coordination to bring his dream to fruition. What we need most today is to encourage such proactive cooperation and coordination between nations.

Taking this opportunity, I appreciate the determination that the OECD has shown in dealing with the economic crisis, possible reductions in foreign aid and foreign investment, climate change and growing water-related disasters. The advanced nations of the OECD bear greater responsibility and should forward a stronger commitment in response to these challenges. Indeed, I expect that the 2009 OECD MCM will mark a

turning point for this organization to play a more enhanced role in the international community.

Ladies and gentlemen, distinguished guests,

In closing, I would like to underscore once again the importance of reaffirming our commitment to confronting the economic crisis and climate change through a singular and unified policy framework. I am confident that this year's Forum will offer us much food for thought with respect to finding the necessary tools to reach our collective goal of building a stronger, cleaner and fairer economy.

Thank you