

Nagovor predsednika Vlade RS Janeza Janše
na temo gospodarskih in finančnih vprašanj v okviru 9. Vrh ASEM

- Distinguished Colleagues, Ladies and Gentlemen, Dear Friends,
Europe and Asia represent a unique economic and political partnership. Together they comprise over half of global GDP and over 60 % of global population. These proportions imply a particular strength, yet at the same time immense responsibility.
- We should all recognise that the conduct of economic policies in the pre-crisis period was not optimal. There were abundance of ungrounded optimism, unrestrained greed and deplorable excesses.
- While Europe is still recovering from the crisis there is a lot we can learn from the Asian crisis of 1997. It is obvious that there can be no sustainable economic growth without a well-functioning financial sector. Financial sector is a life blood of every modern economy. This is why we should - on the global level - ensure better supervision, greater resilience and appropriate incentives for this vitally important sector of our economies.

Countries in Eastern and South Eastern Asia have exhibited considerable prudence in the financial sector after the Asian crisis. Europe should follow their positive example. The challenge is two-fold: firstly, to mend the banking sector, while at the same time to develop alternative systems for finance. We need to channel private funds towards productive investments

through well-functioning capital markets. On this front, well-designed pension reforms can play a crucial role.

- In mending the situation in the banking sector, we should also create mechanisms to minimise the burden on tax payers for saving the banks in distress. To this purpose, bank resolution funds should be established according to the “polluter pays” principle.
- In parallel to the banking sector reform, backstop mechanisms are necessary. With this aim Asia has already set up the Chiang Mai Initiative and Europe just recently established European Stability Mechanism. Their mere existence is an important signal of stability to financial markets. We should now explore how to mutually reinforce those backstop mechanisms to the benefit of our continents.
- Dear friends,
European Union has adopted a strategy for the EU in 2020, based on smart, inclusive and sustainable growth. Slovenia has made comprehensive efforts to implement measures, which are outlined in this detailed strategy. But, of course, our first priority is to overcome the present economic crisis and its negative social consequences. We are undergoing a comprehensive budgetary consolidation, reforming the labour market and stimulating economic growth. We also made a decision to deal with our ailing banking sector by establishing a banking assets management company.

- Slovenia would furthermore like to attract more foreign direct investment. Our unique geographic position can serve as a gateway for Asian companies to enter Central and South-Eastern Europe. Investors from Asian countries are particularly welcome; not only for the financial flows, supreme organizational skills, but also for the various elements of Asian cultures, which will undoubtedly enrich our economy and society at large.
- Ladies and gentlemen,
We should be fully conscious that we will never be able to prevent completely future crises. Consequently we have to be focused on beefing-up our resilience and mitigating their impact. English social critic Richard Tawney wrote already in 1926 that “An organized money market has many advantages. But it is not a school of social ethics or of political responsibility.” Therefore we need to work together, in the spirit of mutual respect and real partnership towards achieving more just, humane and stable international economic order. Asia and Europe can both make substantial contribution to this noble and pressing cause.
- Thank you.