

Representatives of Participating Cities



Mayor of Auckland
Mr. Les Mills



Governor of Bangkok
Prof. Krisda Arunvongse



Mayor of Guangzhou
Mr. Li Ziliu



Vice Chairman of Ho Chi Minh
Mr. Vo Viet Thanh



Chairman, Urban Council of Hong Kong
Dr. Leung Ding Bong, Ronald



Mayor of Ipoh
Dato' Ismail Bin Shah Bodin



Mayor of West Jakarta
Mr. H. Sutardjianto



Mayor of Kagoshima
Mr. Yoshinori Akasaki

Representatives of Participating Cities



Deputy Mayor of Kitakyusyu
Mr. Takashi Deguchi



Special Adviser to the Mayor, Kuala Lumpur
Dr. Jayaraman S/O Munusamy



Director General, General Planning and Coordination Bureau, Kumamoto
Mr. Keiichirou Kamado



Mayor of Manila
Mr. Alfredo S. Lim



Mayor of Miyazaki
Mr. Shigemitsu Tsumura



Mayor of Nagasaki
Mr. Hitoshi Motoshima

Representatives of Participating Cities



Mayor of Naha
Mr. Kosei Oyadomari



Mayor of Oita
Mr. Keinosuke Kinoshita



Mayor of Pusan
Mr. Chung Moon Hwa



Mayor of Saga
Mr. Masatoshi Nishimura



Vice Mayor of Shanghai
Mr. Xia Keqiang



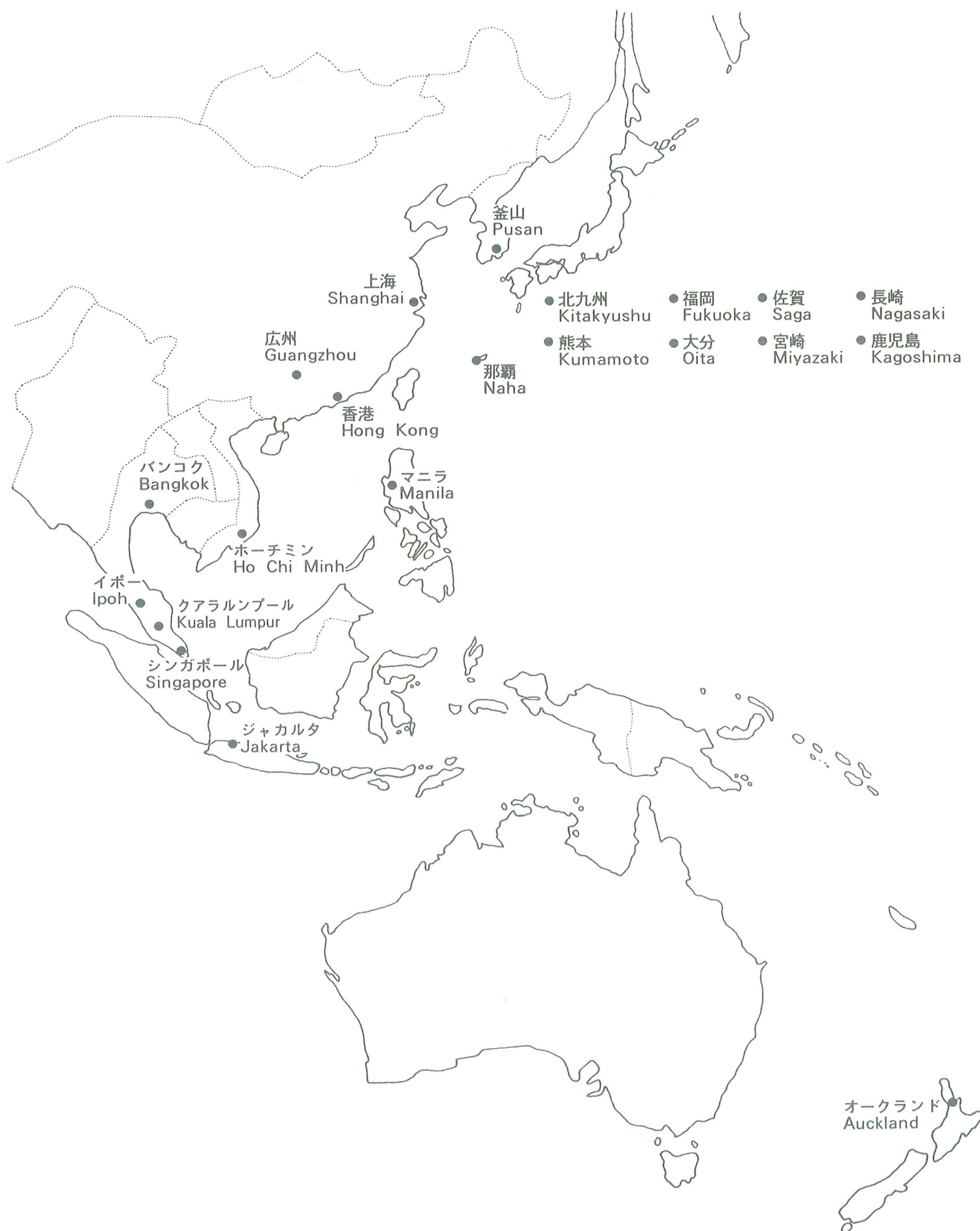
Snr Parliamentary Secretary of Singapore
Mr. Matthias Yao Chih



Mayor of Fukuoka
Mr. Keiichi Kuwahara

(12) Participating cities and their location

Participating cities (21 Cities from 11 Countries & Regions)



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1 Outline of Summit

(1) Aim for Holding the Summit

Currently, the Asian-Pacific region is called the "Center of World Growth" and is becoming a center of world attention.

However, due to brisk economic activities taking place in cities, serious urban problems concerning population concentration are occurring and efforts to solve these problems are essential.

Furthermore, with the conclusion of the cold war and development of information and transportation infrastructures, not only international exchange at the national level but international exchange between cities, regions and cities and regions has come to play an important role.

Within such social conditions, aiming for "Cooperation of cities in the Asian-Pacific region and building a network," the "Asian-Pacific City Summit" was held to exchange frank suggestions to promote urban administration up till the present time.

(2) Name of Summit

Asian-Pacific City Summit

(3) Period of Summit

September 22, 1994 (Thursday) -- September 25, 1994 (Sunday) 4 days

(4) Theme of Plenary Session

"Harmony between Urban Development and Human Living Environment in the Asian-Pacific Era"

(5) Theme of Subsessions

Subsession 1 : "City and Transportation"

Subsession 2 : "City and Housing"

Subsession 3 : "City and Environment/Public Health"

(6) Sponsorship

Asian-Pacific City Summit Executive Committee

(7) Venue

Hotel New Otani Hakata

1-2 Watanabe-dori 1-chome, Chuo-ku, Fukuoka City

(8) Support

United Nation, Ministry of Foreign Affairs, Ministry of Home Affairs, National Land Agency, Council of Local Authorities for International Relations

(9) Language Used

4 Languages (Chinese, English, Japanese, Korean)

(10) Program

September 22 (Thursday)

4 : 00pm – 5 : 15pm	Opening Ceremony Introduction of participating cities – – – – – Representatives of participating cities take the platform Welcome address by sponsor – – – – – Keiichi Kuwahara , President, Asian – Pacific City Summit Executive Committee Greetings by guests – – – – – Tetsuya Endo , Ambassador, Extraordinary and Plenipotentiary, Ministry of Foreign Affairs Norihisa Kakuchi , Councilor to the Minister's Secretariat, National Land Agency Ryoichi Kabaya , Secretry General, Council of Local Authorities for Int'l Relations Message from the Minister of Home Affairs Introduction of guests – – – – – Ambassadors in Japan, Representatives of United Nations Welcome address on behalf of Fukuoka – – – – – Kazuaki Ishimura , Chairman of Fukuoka City Council Address on behalf of participatig Cities – – – – – Li Zilie , Mayor of Guangdzou Video presentation of the Summit
6 : 30pm – 8 : 00pm	Welcome Dinner Reception : Sponsored by the Asian-Pacific City Summit Executive Committee

September 23 (Friday)

09 : 30am-10 : 05am	<p>Keynote Speech</p> <p>"Challenges of Urbanization in the Asia – Pacific Region"</p> <p>Mitsuo Sato, President, Asian Development Bank</p>
10 : 10am-12 : 15am	<p>Plenary Session</p> <p>"Harmony between Urban Development and Human Living Environment in the Asian – Pacific Era"</p> <p>Keynote Report ... Mikio Tajima, Director, Division of Economic Policy and Social Development, Department for Development Support and Management Services, United Nations</p> <p>Presentations Keiichi Kuwahara, Mayor of Fukuoka Les Mills, Mayor of Auckland Krisda Arunvongse, Governor, Bangkok Li Ziliu, Mayor of Guangzhou Vo Viet Thanh, Vice Chairman, Ho Chi Minh Leung Ding Bong Ronald, Chairman, Urban Council, Hong Kong Ismail Bin Shah Bodin, Mayor of Ipoh</p>
12 : 15pm-1 : 30pm	Lunch (free seating)
1 : 30pm-3 : 20pm	<p>Presentation H. Sutardjianto, Mayor of West Jakarta Yoshinori Akasaki, Mayor of Kagoshima Takashi Deguchi, Deputy Mayor of Kitakyushu Jayaraman S/O Munusamy, Special Advisor to the Mayor of Kuala Lumpur Keiichiro Kamado, Director General of General Planning and Coordination Bureau, Kumamoto Alfredo S. Lim, Mayor of Manila Shigemitsu Tsumura, Mayor of Miyazaki</p>
3 : 20pm – 3 : 45pm	Coffee Break
3 : 45pm – 5 : 45pm	<p>Presentation Hitoshi Motoshima, Mayor of Nagasaki Kosei Oyadomari, Mayor of Naha Keinosuke Kinoshita, Mayor of Oita Chung Moon Hwa, Mayor of Pusan Masatoshi Nishimura, Mayor of Saga Xia Keqiang, Vice Mayor of Shanghai Matthias Yao Chih, Sr. Parliamentary Secretary (National Development) of Singapore</p> <p>Commentator Kazunobu Hayashi, Professor, Department of International Commerce and Studies, Kyushu International University Yukihisa Koga, Associate Professor, Faculty of Law, Kurume University</p> <p>Chairman Keiichi Kuwahara, Mayor of Fukuoka</p>

September 24 (Saturday)

9 : 00am – 12 : 00pm	Subsession 1 : City and Transportation Presentation ... Kagoshima, Bangkok, Fukuoka, Guangzhou, Kuala Lumpur, Naha, Oita, Pusan Commentator ... Nobuo Yoshida, Professor, Faculty of Engineering Fukuoka University Chairman Yoshinori Akasaki, Mayor of Kagoshima
9 : 00am – 12 : 00pm	Subsession 2 : City and Housing Presentation ... Nagasaki, Auckland, Fukuoka, Ho Chi Minh, Kitakyushu, Shanghai, Singapore Commentator ... Terukazu Takeshita, Professor, Faculty of Engineering, Kyushu University Chairman Hitoshi Motoshima, Mayor of Nagasaki
9 : 00am – 12 : 00pm	Subsession 3 : City and Environment/Public Health Presentation ... Saga, Fukuoka, Hong Kong, Ipoh, Jakarta, Kumamoto, Manila, Miyazaki Commentator ... Masataka Hanashima, Dr. Eng., P.E. Professor, Fukuoka University Chairman Masatoshi Nishimura, Mayor of Saga
12 : 00pm – 2 : 30pm	Lunch
2 : 30pm – 3 : 20pm	Consolidatory Session Chairman Keiichi Kuwahara, Mayor of Fukuoka Report by Chairman of Subsessions Subsession 1 : Yoshinori Akasaki, Mayor of Kagoshima Subsession 2 : Hitoshi Motoshima, Mayor of Nagasaki Subsession 3 : Masatoshi Nishimura, Mayor of Saga
3 : 20pm – 3 : 45pm	Coffee Break
3 : 45pm – 4 : 12pm	Adoption of Joint Declaration Chairman Keiichi Kuwahara, Mayor of Fukuoka
4 : 20pm – 4 : 40pm	Announcement of Joint Declaration & Closing Ceremony Announcement of Joint Declaration ----- Keiichi Kuwahara, Mayor of Fukuoka Chairman's speech at Closing Ceremony ----- Same as above Speech by representative of participating cities ----- Alfredo S. Lim, Mayor of Manila Speech representative of next sponsoring city ----- Li Ziliu, Mayor of Guangzhou
5 : 10pm – 5 : 35pm	Joint Press Conference
6 : 30pm – 8 : 00pm	Farewell Dinner Reception : Sponsored by Fukuoka

September 25 (Sunday)

9 : 30am – 4 : 45pm	Administrative Tour
6 : 30pm – 7 : 30pm	Asian – Pacific Festival (Asia Night Parade)

2. Content of Sessions

OPENING CEREMONY

Chairperson

Ladies and Gentlemen, sorry to have kept you waiting. We now will begin the opening ceremony of the "Asian-Pacific City Summit"

INTRODUCTION OF PARTICIPATING CITIES

Chairperson

Now, we would like to introduce the participants from each participating city to this Summit. First of all, I would like to introduce to you Mr. Keiichi Kuwahara who is the President of the Asian-Pacific City Summit Executive Committee and who proposed the holding of this Summit. We will have Mayor Kuwahara step upon the stage to welcome the representatives from the 20 cities who are from 11 countries and regions including Japan. When the representatives from each city step upon the stage, we ask you to say word of greeting "Ladies and Gentlemen, how do you do?" in your own language in front of the microphone.

Now, I would like to introduce each representative in alphabetical order. When I call your name, please step upon the stage.

REPRESENTATIVES OF PARTICIPATING COUNTRIES STEP UPON THE STAGE

Chairperson

This will complete the introduction of the representatives from each city who will participate in this Summit. Please give another big applause to this participants. (Applause)

WELCOME ADDRESS BY SPONSOR |||

Mr. Keiichi Kuwahara, President

Asian-Pacific City Summit Executive Committee

Chairperson

Now, on behalf of the sponsor, Mr. Keiichi Kuwahara who is the President of the Asian-Pacific City Summit Executive Committee and Mayor of Fukuoka will extend his greeting to our distinguished guests.

Mr. Keiichi Kuwahara, Mayor of Fukuoka City

Upon the opening of the Asian-Pacific City Summit, I would like to say a few words on behalf of the organizer.

It is a great honor and pleasure for me to see all of you-mayors and representatives

of 12 cities from 10 countries and regions as well as eight cities in Kyushu ; honorable guests including ambassadors of Asian countries, representatives from the Ministry of Foreign Affairs, National Land Agency, Council of Local Authorities for International Relations ; and many citizens.

I heartily welcome and thank all of you for your attendance.

Many Asian countries, as you might know, have made efforts in urbanization which have resulted in rapid growth almost exceeding Western countries. This indicates there is a bright potential for Asian countries to play major parts on the new global stage of the future. On the other hand, various urban problems including environmental issues have emerged as a result of the rapid growth and concentrated population. I have been struck by the need for us to achieve an attitude of cooperation and a system to tackle the various problems we, the cities of the Asian-Pacific region, are facing. I have come to believe we should provide city mayors, the people responsible for municipal administration, with opportunities to meet and exchange opinions, and therefore decided to hold this summit. I appreciate the consensus and also the participation of such a large number of mayors to make this summit reality.

The Asian-Pacific region is, as many people have indicated, characterized by diversity in history, culture, ethnic groups and political structures. The urban problems, however, are a common issue for the entire region, since each city must seek effective solutions with a view toward the 21st Century.

In this Summit, under the theme "Harmony between Urban Development and Human Living Environment in the Asian-Pacific Era," we hope the mayors and other representatives of participating cities will make presentations of their attitudes and policies, as well as freely exchange opinions at three subsessions on transportation, housing, and environment and public health. The valuable opinions of those who have worked on various problems as the heads of municipal administration should be inspiring for other cities, and will help us to deepen fellowship and understanding of how the Asian-Pacific region should be, as we enter the 21st Century.

In addition, it is significant in that holding this summit we have the opportunity to bring all of us, the participating mayors, new friendship and trust beyond political principles and positions. This will enable us to create a tighter relationship between cities in the Asian-Pacific region and to build a new network. I hope that we can greatly contribute to world peace and prosperity by deepening interchange and establishing a tighter relationship between the cities of the Asian-Pacific region.

In closing, I would like to express my heartfelt appreciation to all the people who have extended their sincere support for the realization of this Summit and I wish you all continued good health and prosperity. Thank you very much.

GREETING BY GUEST |||

**H.E.Mr.Tetsuya Endo, Ambassador Extraordinary and Plenipotentiary
from the Ministry of Foreign Affairs**

Chairperson

Because we are honored today by the attendance of members from the Ministry of Foreign Affairs, National Land Agency, Council of Local Authorities for International Relations and Ambassadors of participating cities from abroad including people from all circles, we would like to ask them to give us a congratulatory address. First of all, I would like to ask upon Mr. Tetsuya Endo, Ambassador Extraordinary and Plenipotentiary from the Ministry of Foreign Affairs to give us a congratulatory speech on behalf of the Minister of Foreign Affairs. Ambassador Endo, please.

**H.E.Mr.Tetsuya Endo, Ambassador Extraordinary and Plenipotentiary from the
Ministry of Foreign Affairs**

Thank you for the introduction. Although Mr. Yohei Kono, the Parliamentary Vice Minister and the Minister of Foreign Affairs, should be here to deliver his greetings, he is on a business trip to Washington and New York. Since I am responsible for the cooperative programs in the Asian-Pacific region, I would like to say a few words on his behalf. First of all, I would say that the current international situation is very obscure and fluid. Although we admit there is movement towards a peaceful settlement in the Middle East, issues regarding weapons of mass destruction, including North Korean nuclear weapons, and local conflicts occurring in the former Yugoslavia and Rwanda, are serious threats to world peace and security.

While the global economy is definitely showing some bright spots, there are still many problems remaining unsolved: unemployment in the industrialized nations, poverty in industrializing countries and global issues such as environmental problems and the tragic situation of refugees in areas like Rwanda.

Under these circumstances, we are actively devoting ourselves to making a peaceful and prosperous international society. In today's stagnant world economy, the Asian-Pacific region has been showing remarkable economic development and is playing a more important role as a growth center. In other words, world peace and prosperity now greatly depend on the development and prosperity of this region. As the host country of the next APEC conference, Japan is actively involved in cooperative activities in this region through APEC. In this situation, it is truly the right time and is significant that the mayors of the Asian-Pacific region get together for this Asian-Pacific City Summit here in Fukuoka, which has enjoyed long and fruitful exchanges with the region. The objective of this summit is, as I understand it, to build and expand the network among cities to enhance friendly relations, mutual cooperation and further development through

the straightforward exchange of opinions.

The participants from overseas are the mayors of cities playing an important role in each country and in international society. From Japan, the mayors are from major cities in Kyushu and Okinawa which have been actively involved in exchange with the Asian-Pacific region. I firmly believe that the participants, with their broad experience and capabilities, will be able to build a network to ensure the further development and prosperity of the cities in the Asian-Pacific region and will greatly contribute to world peace and affluence.

As I mentioned earlier, various problems caused by differences of ethnic and cultural background have emerged in recent years, and are getting serious in some areas. Now, nothing is more important than acting to deepen mutual understanding and respect between cultures and societies.

In conclusion, I wish the Asian-Pacific City Summit success. I would also like to express my deepest respect for the efforts and dedication of all the participants and the people concerned, including the Mayor of Fukuoka City, who have made this summit happen. (On behalf of the Parliamentary Vice President and Ministry of Foreign Affairs, Mr. Yohei Kono. The speaker was Tetsuya Endo, Ambassador Extraordinary.)

Thank you very much. (Applause)

GREETING BY GUEST |||

**Mr. Norihisa Kakuchi, Councilor to the Minister's Secretariat,
National Land Agency**

Chairperson

In succession, I would like to ask upon Mr. Norihisa Kakuchi, Councilor to the Minister's Secretariat, National Land Agency to deliver his speech on behalf of the Minister. Mr. Kakuchi, please.

Mr. Norihisa Kakuchi, Councilor to the Minister's Secretariat, National Land Agency

My name is Kakuchi of the National Land Agency. I have brought a congratulatory message from the Minister and I would like to read it on his behalf.

It is a great pleasure to see the Asian-Pacific City Summit being held today, with the presence of so many people, including mayors from throughout the Asian-Pacific region. Japan has been rapidly expanding mutual relationships with the world in recent years, and is now interpreting various aspects of the country from economic activities to daily life, from the aspect of the global community. According to the last comprehensive study of Japan made by the Deliberative Council of the National Land Agency, Japan is expected to actively play an important role in extensive fields such as society, culture, academia, and environment, not only the economy, aware of its position as an essential

also by local governments, contribute to better relations. With this background, I think it is very significant that representatives of the Asian-Pacific region, which has close relations, both historically and economically, get together at this summit and promote friendship by discussing common problems.

The Council for Local Authorities of International Relations, which I represent, will host the Asian-Pacific Sister Cities Conference in November. The purpose of this conference is to further enhance exchange and friendship between the local governments of the Asian-Pacific region and Japan which are joined as sister cities. Therefore, we share a common objective with this Asian-Pacific City Summit. Blessed with abundant nature, the Asian-Pacific region is enjoying rapid economic growth today, drawing world-wide attention. It is not too much to say that this region is a key to world peace and prosperity in the 21st Century. As we move toward the new century, the cities of the Asian-Pacific region will assume more responsibilities, as well as a more important role to play in the pursuit of world peace and prosperity.

I sincerely hope that this Asian-Pacific City Summit will help find solutions for the common problems the entire world is facing. Thank you very much for giving me this opportunity to speak on behalf of Mr. Mori, our president.

READING THE MESSAGE

FROM THE MINISTER OF HOME AFFAIRS |||

Chairperson

Today we did not have the honor of welcoming His Excellency, however, since we have a message from the Minister of Home Affairs, I would like to have it introduced to you.

"I would like to express my heartfelt congratulations on the opening of the Asian-Pacific City Summit. In the interdependent world of today, regional problems no longer stay within their boundaries, and more often, are closely interrelated. Many cities are facing common urban problems such as population concentration, increasing crime rates and environmental disturbances.

It is truly timely and significant that representatives of cities of the Asian-Pacific region meet today to discuss these common urban problems. I sincerely hope that this conference will bring many constructive proposals which will benefit the Asian-Pacific cities giving presentations here. The Ministry of Home Affairs will also support exchanges among local governments more actively.

In closing, I wish great success to this Asian-Pacific City Summit."

INTRODUCTION OF DISTINGUISHED GUESTS

Chairperson

Now, I would like to introduce other distinguished guests who are present today. As I call their names, I would appreciate it very much if those called would stand up, please.

GUESTS WILL STAND UP

Chairperson

This will conclude the introduction of our distinguished guests. Let's give them another big applause, please !

WELCOME ADDRESS ON BEHALF OF FUKUOKA CITY |||||

Mr. Kazuaki Ishimura, Chairman

Fukuoka City Council

Chairperson

Now, I would like to ask upon Mr. Ishimura, the Chairman of the Fukuoka City Council to deliver his greetings on behalf of the City of Fukuoka. Mr. Ishimura, please.

Mr. Kazuaki Ishimura, the Chairman of the Fukuoka City Council

Thank you for the introduction. My name is Ishimura of the Fukuoka City Assembly. On behalf of all the citizens of Fukuoka, I would like to express my hearty welcome to the participants from cities of the Asian-Pacific region, as well as other cities of Kyushu.

The Asian-Pacific region, as you might know, is attracting worldwide attention as the growing center of the global economy. On the other hand, the remarkable economic development in this region has caused population concentration in major cities, bringing various urban problems to the surface. Driven by improvements in telecommunication, transportation and the infrastructure, as well as the end of the Cold War, international relations not only at the national level, but also at the municipal and regional levels, are becoming increasingly important. Under these circumstances, you, the participants, are constantly making great efforts to solve city problems to improve the welfare of your citizens. Your sincere efforts and devotion are truly respectable. Today's urban problems, however, are spreading so quickly, probably at the fastest speed in history, and are hardly solvable within one country or one city.

With that background, this summit is being held to inspire and learn from each other and to build a network for mutual understanding and friendship by sharing the knowledge and experience of the participants, and by seeking solutions for urban problems. I truly

hope that this summit will help achieve an expanding network of exchange in various fields of industry, academia and government, as well as among citizens.

We, the citizens of Fukuoka, would like to extend our heartfelt hospitality to all of you. The city of Fukuoka has flourished as the gateway between Japan and the rest of Asia since ancient times, as indicated by the ruins of the "Korokan," our ancient guest house for foreign visitors. Fukuoka is also known for its delightful selection of cuisine. I hope you will enjoy to your heart's content your stay in Fukuoka and Hakata, towns of warm hospitality.

In closing, I wish every success to this summit and hope you enjoy your stay here in Fukuoka. Thank you very much. (Applause)

ADDRESS ON BEHALF OF PARTICIPATING CITIES |||||

Mr. Li Ziliu, Mayor of Guangzhou

Chairperson

Last but not least, I would like to ask upon Mr. Li Ziliu, Mayor of Guangzhou, China to deliver his greetings on behalf of the participating cities. Mr. Li Ziliu, please.

Mr. Li Ziliu, Mayor of Guangzhou

Ladies and gentlemen, here at the Asian-Pacific City Summit representatives of twenty one cities from eleven countries and regions in the Asian-Pacific region meet in Fukuoka, Japan. I am delighted for us to have this opportunity to discuss city development plans, exchange opinions, deepen friendship and learn together. I would like to offer my sincere congratulations on the opening of this summit, on behalf of the participating cities. I would also like to say a few words of greeting to the representatives of the cities, guests and all of our friends.

The main theme of this summit is harmony between city development and the living environment in the Asian-Pacific era. This is an issue that we all should be concerned with, and make every effort to resolve together, in order to better develop the Asian-Pacific region and indeed all the cities of the world.

The cities of the Asian-Pacific region have rapidly urbanized because of the remarkable economic growth in these past decades. However, various urban problems such as housing shortages due to overpopulation, traffic congestion and environmental pollution have emerged as a result of the rapid growth. These problems have already interfered with the sound development of the cities and greatly affect the lives of the citizens. It is our common hope and objective to construct modern cities which ensure not only economic development, but also a stable society, convenient transportation network and comfortable living environment in harmony with nature. This is also a duty and historical mission which we, as mayors and administrative leaders, are required to carry out.

The objective of this summit is to identify effective solutions to various problems which are caused as cities develop and urbanize, through sharing our experiences and exchanging opinions.

Under the current circumstances, I think this summit is truly significant and timely. Learning from each other, sharing experiences and working out solutions together will greatly help us to solve urban problems and enhance city development as well as the prosperity and progress of society.

Guangzhou is a hub city in the Southern China region. It is our goal to ensure the position of Guangzhou as an important and modern international metropolis in the Asian-Pacific region. I would sincerely like to ask for your support and assistance in this task. It is also my hope that this summit will help us to deepen mutual understanding, strengthen cooperative relations and make efforts together to establish a better future for the Asian-Pacific region.

Fifteen years have passed since Guangzhou and Fukuoka became friendship cities. Citizens and governments of both cities have established valuable and friendly relations through enhanced cooperation and exchange in the fields of economy, science, technology and culture. On behalf of the Guangzhou government and its citizens, I would like to express my heartfelt appreciation to Mayor Kuwahara, whom I respect, as well as to the citizens of Fukuoka for their warm hospitality and kindness. In conclusion, I wish this summit every success, and with all of the participating cities continued sound growth and development. Thank you.

Chairperson

Mr. Mayor, thank you very much indeed. Now I would like to ask upon our distinguished guests to step down from the front of the stage, please. Let's give them another big applause.(Applause)

REPRESENTATIVES OF THE PARTICIPATING CITIES STEP DOWN FROM THE STAGE

Chairperson

Let's once again give a big applause to the representatives who have just stepped down from the stage. Thank you very much.(Applause)

VIDEO PRESENTATION OF THE SUMMIT

Chairperson

Now, prior to the ending of the opening ceremony, we would like to brief you on the significance and ideology of holding this Summit, using the large size screens placed on both sides of the stage. We would appreciate it if you would watch the screen, please.

PROJECTION

Chairperson

Thank you very much. With this we wish to complete the opening ceremony of the Asian-Pacific City Summit.

KEYNOTE SPEECH

Chairperson (Mr. Ryoichi Ogata, Director, International Affairs Department, Fukuoka City)

Now, we would like to commence with the keynote speech of the Asian-Pacific City Summit and the Plenary Session. First all, I would like to ask upon Mr. Mitsuo Sato, the President of the Asian Development Bank to deliver his keynote speech titled, "Challenges of Urbanization in the Asia-Pacific Region." President Sato assumed office at the Asian Development Bank in 1993 and is playing an important role as the leader of one of the main international financial organizations. Now, I would like to ask upon President Sato to take the rostrum.

CHALLENGES OF URBANIZATION IN THE ASIA-PACIFIC REGION |||||

Mr. Mitsuo Sato, President of Asian Development Bank

Distinguished participants, ladies and gentlemen. It is a great honor for me to address this prestigious Summit. The theme of the Summit, "Harmony between Urban Development and Human Living Environment," is timely and important, particularly since the urban area in our region are growing so rapidly.

Today, I would like to talk about some of my observations on the economic development of the Asian-Pacific region and its consequences on cities in the Asian-Development Bank's developing member countries (or DMCs). I will then talk about DMCs' challenge of rapid urbanization before touching on the implications for the Bank's urban development operations and its future directions.

In the past quarter century, developing Asia exhibited an economic dynamism not seen elsewhere in the developing world. The region's economies grew at a remarkable average annual rate of around 6.5%, compared with 4.5% for developing countries worldwide. The period also saw dramatic industrial transformation in these economies with agriculture's relative share in production roughly halved.

However, economic performance in developing Asia has been far from even, as would be expected in a vast and heterogeneous region. For instance, while GDP per capita growth rates averaged about 7% in the newly industrialized economies, it was just about 2% in South Asia, and barely 1% in the Pacific Island economies. Even these subregional averages conceal marked variations across constituent countries.

Asia has performed very well, because countries in this region have generally been able to maintain macroeconomic stability and low inflation rates. Governments have been fiscally responsible by restraining the level of government deficits. Many of the countries in the region have, over the years, followed sound policies that have had

an outward-looking export orientation and have generally encouraged foreign investment. This progressive policy environment has helped stimulate savings and investment. Also, liberal outward-looking trade and industrial policies that have encouraged the private sector have resulted in rapidly changing industrial structures with increasing emphasis on products incorporating new and more sophisticated technology. This has helped maintain the dynamic transformation of the region.

The economic outlook in DMCs for the coming decade remains generally bullish as the general trend of policy changes in the direction of promoting outward-looking export-oriented industries, reducing protectionism and increasing competition is likely to continue. DMCs appropriate macroeconomic policies and flexibility in responding to rapidly changing external conditions and structural adjustment combined with stable prices are expected to continue to provide a reliable environment for investment and growth in the region.

With the rapid economic growth comes the rapid urbanization as employment opportunities stemmed from industrial transformation in cities attract surplus labor from rural areas. Urban Asia, today, comprises about one billion people, more people than there are in all the high-income countries of the world or in the urban and rural areas in Latin America, the Caribbean and Sub-Saharan Africa combined. According to the United Nations, in nearly every Asian country, the urban percentage has been growing. Those urbanizing most rapidly are Bangladesh, Bhutan, Indonesia, Korea, Lao PDR, Nepal and Thailand. The only Asian country not to have urbanized significantly over the last 20 years is Sri Lanka, and that is a result of a consistent and concerted policy bias toward rural development. It is estimated that during the next 30 years, the urban population in the Bank's DMCs would grow by about 3.3% per annum and exceed 2 billion by the year 2020.

This massive growth in urban population has come with prices. Cities in our region - especially large cities - generally experience significant problems with regard to infrastructure and services, housing, urban poverty, environment and urban management. The challenge facing the DMCs is how to manage these problems on a sustainable basis and to improve urban living conditions so that city economies can offer better living standards for their residents.

With respect to infrastructure and services, many types are necessary to support economic growth, however, water supply and urban transport deserve special mention. In most of our DMCs, the proportion of urban residents with access to safe drinking is lower than the proportion of rural residents. Consequently, despite many cities' major investments to improve water supply and sanitation, there will be a continuing need to develop appropriate strategies, programs and plans to manage water resources and to increase water supplies.

Rapid urbanization and industrialization increases a tremendous demand on water resources. Water-related problems in large cities include low reliability of supply, poor quality, inadequate access to piped water and little provision for waste-water disposal. To cater for increasing demand, DMCs are having to tap water resources away from urban centers. This not only results in higher costs but also involves making a choice between uses of water for drinking, industry, hydropower generation and irrigation. The experience in Bangkok indicates that high-density urban agglomerations and potential megacities are often required to adopt an integrated planning approach to optimize resource use. Under such circumstances, DMCs would have to consider suitable pricing mechanisms to manage demand and rationalize the allocation of water among competing uses. Traffic congestion is common to most large cities in the region. Typically, the number of vehicles on the roads is increasing substantially in excess of the rate of increase in road space. Problems are often most severe in central city areas, where jobs are concentrated and road space is limited. Most cities in the region are attempting to deal with the problem through various means of traffic and demand management including the introduction of one way road systems, intracity toll and licensing schemes, and development of mass transit systems. This traffic and demand management has been effective in Singapore. However, remains difficult to implement in other cities. Moreover, mass transit systems developed to provide a high capacity and efficient service for commuters in some large Asian cities such as Beijing, Calcutta and Hong Kong are frequently limited in coverage and costly.

The United Nations estimated that the proportion of Asians living below the poverty line is 25% for urban Asia. The United Nations reports that the incidence of urban poverty in Asia (excluding China, for which figures were not available) was reduced from 42% in 1970 to 34% in 1985. Due to substantial economic growth in the region, the rate of poverty continue to fall in Asia, the only developing continent where this was the case over the 1985-1990 period. Nonetheless, the rates of reduction in poverty were sufficiently small that, because of population growth, the absolute number of Asians in poverty was effectively unchanged from 1985 to 1990.

Too many urban poor remain in misery, living in households with high dependency ratios. They lack education, earn low wages in unprotected sectors of the economy, and are often discriminated against. These poor are disproportionately women.

The proximate cause of poverty is low labor earnings. Lacking other assets, the poor must live from their labor ; but because they have only limited human assets and earn low returns on those assets, they end up poor. Only secondarily is urban poverty the result of non-work. To address their poverty, several policy intervention are needed in DMCs. One is to ensure that growth is labor intensive. Another is to invest in the education and other human assets of people so that they will more to take to

the market. A third is to invest in non-human, productive assets and small-scale enterprises so that the poor will have more with which to work. A fourth is to ensure that trade and industrialization strategies favor efficient outward-looking production because of the typically limited size of the domestic market. Finally, the macroeconomic fundamentals must be right so that growth of a broad-based type can flourish.

The most evident manifestation of urban poverty in Asia is the housing which dominates major sections of most Asian cities. An estimated one third of Asia's urban people live in slums and squatter settlements. The characteristics of these substandard dwelling units are well known—ten or more people to a room, no permanent roof or walls, insecure tenancy and little or no access to safe drinking water and sanitation facilities.

According to DMCs' experiences with urban housing, the provision of direct government low-cost housing is rarely effective. The poor usually cannot afford the units unless these are highly subsidized and, when subsidized, public housing has often been downwardly raided by the more well-to-do. Not enough units are built and not enough money is provided for appropriate operation and maintenance.

A more effective approach might be an "enabling strategy" which has been adopted and promoted by a number of bilateral donor agencies and international organizations, (including the Bank.) Essential Ingredients of such a strategy are (i) availability of land tenure security; (ii) availability of adequate shelter-related infrastructure and municipal services; and (iii) adequate access to housing finance. The poor must be permitted to inhabit legally the housing they can afford.

Some large Asian cities are the victims of massive environmental degradation. These, and many other cities in Asia suffer from high congestion, urban sprawl, severe air and water pollution, lack of effective pollution-abatement measures and constant deteriorating quality of urban life.

The levels of sulfur dioxide, nitrogen dioxide and other suspended particles exceed World Health Organization guidelines in ten Asian cities, and threaten their residents with severe health consequences. In addition, a high proportion of urban residents in five Asian cities lack access to safe drinking water and to sanitation services. In some countries, such as Bangladesh, Indonesia and Myanmar, the majority of urban residents lack even these basic amenities. Finally, a high proportion of the solid waste in Bangkok, Jakarta, Karachi and Manila is not collected, or when collected, is not disposed of properly.

This leads to the conclusion that, when designing policies for Asian cities, care must be taken to implement solutions that reflect Asian problems and not those of Europe and North America. In Asian cities, besides addressing the problem of chemical pollutants in the air, the greatest need is to deal with biological agents in water, food, air and soil, including those responsible for diarrheal diseases, dysentery and internal parasites.

More attention also needs to be given to the control of malaria, dengue fever and yellow fever. It is also important to assure safe and sufficient water supplies.

Sustainable urban management, particularly in rapidly growing cities, requires strong institutions, appropriate financial systems and cost recovery policies. In most countries, central governments play a dominant role in planning and financing urban infrastructure. Although many central governments empower local governments to develop and provide urban infrastructure and services, most of the financial and technical resources rest with the central government. Necessary resources must be provided to municipalities for them to be more effective in managing urbanization. Moreover, given the weaknesses exist in most municipal institutions, programs designed to strengthen local government will be required during the rest of the 1990s.

In most DMCs, local resource mobilization is insufficient and many municipal governments are dependent on central governments for grants and subsidies. The financial weakness of local governments affects their fiscal performance and constrains their ability to provide municipal infrastructure and services. Local government, however, should mobilize their own resources by introducing more direct user charges to recover costs, adjusting the level and structure of local taxes and improving the efficiency of local tax collection. In addition, the local government could use cost recovery policies as a means to enhance urban development and to use resource more efficiently.

The rapid urbanization in our region generates enormous demands for infrastructure and services in the urban areas that the resource requirements for these demands are such that it will not be possible to meet them by relying on traditional sources of finance alone. Moreover, budget deficits are growing in many DMCs and competing demands for resource need to be met. It is therefore necessary for DMCs to mobilize resources from alternative sources, including those from the private sector. During the 1980s, several countries in the region including Indonesia, Malaysia, Philippines and Thailand adopted policies of providing incentives for the private sector to invest in urban infrastructure and services, particularly through the build-operate-transfer method for roads and power plants. It is expected that private sector involvement in urban infrastructure and services will grow and spread particularly to water treatment plants and solid waste management.

Bank operations in the urban sector have evolved from lending for basic services, such as water supply and low-income housing, in the 1970s, to an increasingly integrated set of infrastructure and service projects, including sanitation, solid waste management, urban transport, land development for low-income groups and slum improvement. Technical assistance has been provided to undertake sector studies and to support regional urban development activities intended to provide the analytical basis for refining Bank operations.

Through its urban development operations, the Bank seeks to one, improve the efficiency in urban economies ; two, promote equity and services for the poor ; three, improve the urban environment ; and four, strengthen institutional and financing capabilities for the sustainable management for urban areas. The Bank's related agenda for policy reform has focused on improving the productivity of cities, reducing poverty, increasing the role of the private sector, decentralizing authority and responsibility for urban affairs and strengthening municipal and housing finance systems. It has sought to strengthen the capabilities of local governments and municipal enterprises and to improve local resource mobilization and financial management through cost recovery and adjustments in the level and structure of local taxes.

Bank assistance for urban development to date has amounted to more than \$ 4.0 billion in loans and to \$ 66.0 million in technical assistance. The Bank's efforts have involved some of the larger cities in the region, such as Bangkok, Dhaka, Manila and Shanghai. In addition, considerable urban development assistance has been provided to several hundred secondary towns, including about 20 in Bangladesh, 200 in Indonesia and 40 in Republic of Korea. An increasing emphasis has been placed on developing the technical, financial and managerial capacities of local governments.

In the 1990s, the Bank's urban development operations have been intensified. The basic services required by the urban poor such as water supply, sanitation and transport are also incorporated in Bank operations to create urban environments that enhance economic efficiency and reduce urban poverty through job creation. Resources devoted to policy reviews and reforms and to the strengthening of local institutional capabilities now account for an increasing proportion of the Bank's assistance for urban development. Many policy changes and massive investments will be required to facilitate the ongoing transition in the region from rural to urban societies. In line with these developments, the Bank will intensify and expand its operations in urban areas. Its greater emphasis on strategic planning at the country level provides the management tools which will be used to guide and monitor the increasing allocation of Bank resources for urban development.

The Bank's strategy to reduce urban poverty will emphasize urban economic growth and job creation, plus some targeting of essential urban services at the poor. While the issue of cost recovery must be addressed, equity considerations may negate full cost recovery from the urban poor. Attention will be increasingly turned towards enhancing the role of community-based groups in the delivery of urban services targeted at the urban poor.

A major challenge will be to ensure that urbanization is environmentally sustainable. The expansion of metropolitan areas in the region, including the emergence of megacities, can lead to unprecedented levels of pollution and environmental degradation unless

appropriate measures are taken. The Bank is committed to playing a leading role to improve urban environmental management. It has provided technical assistance grants for studies on matters such as managing water resources to meet megacity needs, environmental management of urban projects and vehicular emission, and will continue to use the technical assistance program selectively to promote its role as a regional resource center. The use of appropriate pricing policies to encourage environment-friendly behavior will be an integral part of the Bank's urban environment operations.

Efforts to strengthen municipal planning and management are also expected to be expanded. This will require actions at both national and city levels to: one, undertake policy reform to involve the private sector in the provision of urban infrastructure and services; two, strengthen urban institutions through human resource development and training; three, redefine and coordinate the roles of the national and local governments, and decentralize responsibility and accountability; four, promote appropriate pricing structures, cost recovery and resource mobilization at the municipal level; and five, develop appropriate management information and environment monitoring systems. To improve the effectiveness and sustainability of such actions, community-based organizations and beneficiaries must be encouraged to actively participate in urban development projects. Through such actions, the Bank stands ready to assist our DMCs to meet the challenges of urbanization in the 21st Century.

Distinguished participants, I am very grateful for an opportunity to take part in this Summit and to inform you about the Asian Development Bank's assistance for urban development in our DMCs. I wish you success in your deliberations. Thank you very much for your very kind attention. Thank you.

Chairperson

Thank you very much, Mr. Sato, for your fine presentation.