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**(Sustained and inclusive economic growth, infrastructure development and industrialization)**

Distinguished Co-chairs,

I would like to begin by expressing my sincere appreciation for all your hard work in making the excellent arrangements for this 5<sup>th</sup> Meeting of the Open Working Group on SDGs (OWG). My thanks go also to all the distinguished keynote speakers and panelists for their comprehensive and insightful keynote addresses.

Distinguished Co-Chairs,

Economic growth has not been the focus of serious attention in the humanistic and social justice views of development in the last decades as the UN Task Team rightly states in its Issue Brief. Yet economic growth is extremely important in achieving the very aims of development not least eradicating poverty and the well-being of individuals, regardless of whether economic growth is seen as a means or an end.

In this regard, we believe that economic growth should be appropriately reflected in the SDGs as a form of the goal of ‘accelerating sustained, inclusive, and green economic growth’. In the same vein, I would like to express our support for the report by the Secretary-General, ‘A Life of Dignity for All’ and the report of the High-Level Panel of Eminent Persons on the post-2015 Development Agenda, both of which incorporated the growth issue as one of the illustrative goals.

Mr. Co-Chairs,

It is our view that in giving concrete shape to this goal through targets and indicators the following elements should be reflected.

Above all, we need to fully acknowledge the importance of productive capabilities which are key inputs for production and growth. Given that technology and innovation are essential in enhancing productive capabilities we should focus on the role of government in accelerating technology advance and innovation by, inter alia, providing well-designed incentive systems and stable and predictable finance systems and services for the private sector and household.

We also need to pay special attention to the role of government in investing in economic and other infrastructure, which yields massive positive gains in terms of productivity.

In order to accelerate sustained growth in the sense of enduring and self-propelling growth, I firmly believe that governments should not simply stop at providing an enabling environment for businesses in the private sector but should proactively lead structural transformation and technological advancement in the economy. Korea is indeed one of the successful countries in terms of the role of the government or state in development. In the 70s and 80s, the Government of Korea expanded investment in R&D and proactively led economic development to promote change in the very structure of industry, fostering the development of a high value-added and technologically advanced economy.

Mr. Co-Chairs,

Meanwhile, the international community has learnt from history, through a painful process, the wisdom that material aspects of development do not necessarily lead to equitable and inclusive processes and outcomes.

Therefore, growth goal in SDGs should also encompass commitments on social policies and social protection in order to ensure that the benefits of growth are felt in an equitable and non-discriminatory way. Given that this is very much related to the issue of institutions and institutional reform, we need to consider interlinks with the issues of the rule of law and

governance which will be fully discussed at the 8<sup>th</sup> Session in February. In this regard the Government of Korea is aiming at inclusive, sustainable and balanced growth through a creative economy and disciplined market economy.

Mr. Co-chairs,

Last but not least, another key element the growth goal should incorporate is green growth. Indeed, this is the key growth paradigm in the era of climate change. Environmentally sustainable economic growth, which has not been accorded full consideration not only in traditional development economics but indeed even in the MDGs, calls for a different approach whereby responses to climate change do not place limitations on growth but rather provide new engines for growth. Based on this shared recognition, world leaders agreed at the Rio+20 Summit last year that the green economy is an important tool for achieving sustainable development.

In this regard, the role of governments, private sectors and households in creating and expanding green markets, investing in green technologies and structural change and promoting a green lifestyle should be articulated as an important part of the growth goal in SDGs.

~~*The Government of Korea would like to reiterate our position that sustained, inclusive, green economic growth should be explicitly included as one of the sustainable development goals.*~~

**(Macroeconomic policy questions including international trade, international financial system and external debt sustainability)**

Mr. Co-Chairs,

Moreover, with the advance of globalization and the increasing number of pressing global issues this has brought, no individual country alone can achieve sustained, inclusive and green growth without co-operation or co-ordination with other countries and stakeholders. This presents a particular challenge for the developing world.

In particular, the compound challenges of climate change and the on-going global financial and economic crisis have only too clearly demonstrated that the production and consumption patterns of the previous generations which made global economic growth possible are no longer either socially or economically sustainable.

Accordingly, the SDGs should clearly articulate our approach to the issue of international cooperation on macroeconomic policy issues such as trade, the international financial system, debt sustainability and tax related issues.

There is a need to more clearly emphasize the cooperation between the UN system and other international platforms which deal with macroeconomic policy cooperation. Putting great emphasis on cooperation between advanced economies and emerging and newly industrialized economies through, inter alia, the G20 will be another valuable approach.

Lastly, needless to say, special consideration should be accorded to LDCs, SIDS, LLDCs, and those on the African continent.

Thank you.