



SPEECHES

Opening Address

Opening Address by Mr. Cheul Park, Deputy Governor at the SEACEN Workshop on Techniques of Inflation Projection Seoul, South Korea 18-20 March 2003

Distinguished Guests and Participants,

Ladies and Gentlemen,

It is my great pleasure to deliver this opening address here today at the SEACEN Workshop on Techniques of Inflation Projection.

On behalf of the Bank of Korea, let me first extend a very hearty welcome to all participants. Many of you have traveled a great distance to be here, and we truly appreciate that.

I should also like to commend the good work of the staff of the SEACEN Centre and the workshop officials from the Bank of Korea in preparing for this workshop.

My equally warm welcome and wholehearted appreciations go out as well to all of the resource persons involved in this workshop.

Ladies and gentlemen,

As you may well know, central banks have been striving historically to rein in excessive inflation. A high level of inflation reduces the real incomes of wage and salary earners as well as the population in general, thereby lowering their well-being or quality of ordinary life. An excessive rise in consumer prices can also have detrimental effects on the economy as a whole, by distorting the allocation of resources and increasing economic participants' uncertainty as to the future.

This is why the primary objective of central banks is to maintain the price stability. In order to achieve this objective effectively, thorough analyses of current price movements and accurate inflation projections are more important than anything else.

These days, many countries are adopting inflation targeting, in response to the fast changing economic environment under globalized economy. Hence, it is clear that this SEACEN Workshop on "Techniques of Inflation Projection" is very meaningful and comes at a very timely moment. This workshop will allow participants to gain a deeper understanding of the techniques of inflation projection, and will ultimately help them in the formation of more effective monetary policies at their respective central banks.

I think that we are very fortunate, in this regard, to have such distinguished experts in this area as our workshop resource persons. I am sure that all participants will benefit greatly from our resource persons' expertise and profound first-hand experiences with the relevant issues.

It is also my sincere hope that this workshop will contribute to deepening the good relations among our central banks, at both the institutional and the personal levels. Although the schedule for the workshop is rather tight, I hope you will all have the opportunity during your off-hours to get a closer look at Seoul. I wish this visit to Seoul would be a good chance for a better understanding of the Korean people and culture.

Once again, I would like to express my thanks to all of you for being here, and I would now like to declare, with great pleasure, "the SEACEN Workshop on Techniques of Inflation Projection" open.

Thank You.