

**INTERNATIONAL MONETARY FUND
WORLD BANK GROUP**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

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Statement by the Hon. U KHIN MAUNG THEIN ,
Governor of the Bank for MYANMAR ,
at the Joint Annual Discussion

Statement by H. E. U Khin Maung Thein
Minister for Finance and Revenue, Myanmar
At The 1998 IMF-IBRD Annual Meetings

Mr. Chairman,
Excellencies,
Distinguished Guests,
Ladies and Gentlemen.

First of all, on behalf of the Myanmar delegation and on my own behalf, I would like to express my warm appreciation to Mr. Chairman on his assumption of the Chairmanship of the 1998 Annual Meetings of the Fund and the Bank. I have no doubt that under his able guidance, these meetings will be a great success.

As we gather here for the Fund and the Bank Annual Meetings, we are aware that the Asian financial crisis of 1997, and its contagion effects, are very much still with us today. The course of events have shown how the Fund and the Bank have risen to the occasion by responding with prompt action to contain further deterioration of the situation, restore confidence and help to lay the ground work to resume the road back to stable sustained growth.

In the midst of the Asian financial crisis, it was found that the Fund has been striving to restore macroeconomic stability and market confidence through forceful structure reforms. While reviewing the Fund's activities for the past year, the Fund extending its interest to such new areas as good governance, strategy to fight corruption, and need for greater equality of economic opportunity, has caught our attention. Since the promotion of these activities have a direct bearing on quality growth, it has our full hearted support.

We have followed with appreciation the World Bank's financial supportive role in joining the Fund in dealing with the Asian financial crisis. We are also appreciative of the Bank's involvement in helping poverty reduction and enhancing the quality of life and promote sustainable environmental management.

In the light of the changes taking place in the international financial system and the increasing demands for the services from the Fund and the Bank, we hope the two institutions will be able to review and strengthen their partnership to provide more effectiveness in undertaking their challenging tasks.

Let me now touch on some features of Myanmar's economic development.

Since the latter part of 1988, streamlining of foreign trade procedures and liberalization of both internal and external trade had been introduced. Foreign investors are allowed to invest

in Myanmar and foreign bankers are permitted to open their representative offices. Myanmar has been participating in regional cooperation programmes and cooperating with both developed and developing countries for its technological advancement. Rural and border areas development activities are being implemented to alleviate poverty and also to reduce gaps in differences between rural and urban populations.

As over 60 per cent of the population reside in the rural areas, the increase in farm income through the promoting of agricultural production has been the most appropriate strategy applied for poverty alleviation.

As agriculture is the mainstay of the national economy, 60 per cent of the total population has been engaged in agriculture sector and it has been 35 per cent of G.P., the promotion of agricultural production is fundamental for poverty reduction in both rural and urban areas. Efforts are being made to promote agricultural production with special emphasis to boost production of paddy, beans and pulses, sugarcane and cotton which have now been carried out through intensive and extensive cultivation with modern technical know-how.

With respect to the rural development programmes, the policy objective of regional development in Myanmar is mainly towards self-sufficiency and self-reliance by promoting all round development through exploration and effective utilization of natural resources of the region, provisioning of the required inputs and also by infrastructure development. To raise the living standard of national races who have remained under-developed and lagged behind for decades, and also to alleviate poverty in rural areas, the government has effectively and systemically carried out the development of the border areas and national races since 1989 through multi-faceted programmes.

Myanmar has made all-out efforts to promote economic and social progress without substantial external multilateral cooperations. A market-oriented economic system has been pursued for almost a decade; a strong economic growth has been registered through out the years. This does not imply that Myanmar is not in need of multilateral assistance in striving towards economic and social development but this is to say that Myanmar could have more significant impacts and achievements in its economy with all the external multilateral assistance in complementary to its national endeavours.

We are combating unemployment, drug abuse, HIV/AIDS, environmental destruction and social distress mostly on self-reliance basis and it is obvious that now it is time to have solutions to cope with the magnitude of the above mounting problems with international cooperation. Rekindling old ties with the Bank is by no means a new cooperation pact; but it is rather reviving the " good old spirit " of the partners in the development arena.

Myanmar is the land with rich natural resources to be tapped for development purposes. Unfortunately, multilateral financial assistance to Myanmar have been unfairly suspended since 1988. Myanmar has been a legitimate member of the Bank and the Fund since 1952. As a legitimate member, Myanmar is fully eligible for the Bank's development

assistance. However, the Bank has neglected Myanmar's development efforts and it has failed to assist Myanmar for the past eleven years. However, we have cooperated with the Bank and the Fund and we have been servicing our outstanding payments to the Bank regularly, up to the end of 1997. In the absence of major multilateral and bilateral donors, Myanmar managed its development needs with its own financial resources. However, I wish to say that the scarcity of financial resources hampers the implementation of various development activities, which are beneficial not only for Myanmar, but also for the region as a whole.

In fact, the Bank's ultimate purpose is to assist its members in endeavoring for their development. Moreover, the Bretton Woods institutions themselves had established their objectives to assist member countries without any influence in their decisions by the political character of the member concerned, but only economic considerations. I would like to exhort the Bank to assist all member countries on equal footings, without any political bias. And I would also like to urge the Bank to assist Myanmar with concrete and tangible support for its economic development based only on economic consideration.

Taking this opportunity, I would also like to mention that the Myanmar Government has been striving for all-round development in political, economic and social fields to pave the way for the emergence of a peaceful, tranquil and a new modern developed nation in accordance with the 12 objectives laid down by the State. To fulfil the needs of food, clothing and shelter are the most basic human rights, and thus the Government is fulfilling the people's requirements at its utmost for easing food, clothing and shelter needs of the people. The Government has been making efforts to uplift the quality of the people's life and is also striving for emergence and process of proper democratic system. Myanmar really needs external financial cooperation in such a time of stringency and it would highly appreciate if the Bank took positive initiatives towards return to normalcy.

In conclusion, let me reemphasize the critical role of the Bank and the Fund which play to continue its concerted efforts to develop the international monetary and financial system, promoting enhancement of development process. I am confident that the Bretton Woods institutions should exert to have the important tools to respond to their future challenges in the developing world with the most flexible initiatives in the area of cooperation among the developing and developed countries.

Thank you.