

**Statement by the Governor of the Bank for Myanmar
H.E Major General Hla Tun
at the
IMF - World Bank Annual Meetings,
(Dubai, 23-24 September 2003)**

**Mr. Chairman,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,**

It is a privilege for me to address the 2003 Annual Meetings of the International Monetary Fund and the World Bank. Mr. Chairman, at the outset, I would like to join the other speakers in extending my warmest congratulations on your election to the chair.

On behalf of my delegation and on my own behalf, I would also like to take this opportunity to thank the Government and the people of the United Arab Emirates for hosting this year's Annual Meetings which is the very first time to be held in the Arab World. We would like to thank you for the warm hospitality that is being extended to our delegation and the excellent arrangements that have been made to make our stay in Dubai a very memorable one.

We are encouraged to note that the global economy is now on its way to recovery. However, the global economic environment, though improved, has not stabilized as yet. There are still uncertainties, risks and challenges ahead that need to be overcome. To further consolidate the recovery and stabilize the world economy is a challenging task for the governments around the world.

While developing countries will need to continue their economic restructuring, the developed countries will also need to increase their share of contribution for the social and economic development of the developing countries.

The improvement in the external environment augurs well for growth prospects of our Asian region. The success in controlling Severe Acute Respiratory Syndrome (SARS) has also removed one of the key uncertainties that confronted many of the countries in the region. At this point I would like to mention that, fortunate for us, SARS never occurred in our country.

However risks such as the recurrence of SARS, an unexpected reversal in the outlook for leading major industrial countries and the persistent current account imbalances among industrial countries still remain. Therefore, we should remain vigilant and leading major industrial countries should take preemptive measures for positive global economic and social prospects.

While talking about the global and regional economic situation, as is customary at these meetings, I would like to now draw your attention to Myanmar's domestic economic progress. Myanmar has been making efforts at achieving economic stability not only to fulfill the basic needs of its people but also to be in tandem with the developments of the other countries and, at the same time, for the benefit of the region by providing adequate food supply at this age of food scarcity.

I am happy to state that the economic performance of Myanmar has been very good in recent years. The significant growths that have been achieved are attributable to the Government's guideline and efforts together with the Myanmar people's undeterred determination to strive hard for sustaining the

growth momentum and improving the standard of living. It would be opportune to point out that Myanmar has for the past 15 years depended mostly on its own resources to achieve the present notable progress.

In the monetary front, a comprehensive system of reporting is in place for verifying the banks' compliance with regard to the required ratios and NPLs of the banks are at a very manageable level of 2.09 per cent. In the fiscal front, due to intensive efforts in the implementation of effective tax administration and collecting system, while at the same time cutting unproductive expenditures, the budget deficit to GDP ratio, in 2002/2003, stands at around 3 per cent. The external sector is also improving with the balance of payments showing an overall surplus and the gross reserves at almost 3.6 months of import coverage.

We have also continued our task of building economic, institutional and social infrastructures. However, it is regrettable that Myanmar has been denied access to the much-needed resources for its socio-economic development for over 15 years, from the International Financial Organizations due to the politically motivated actions of some members.

As you are all aware, the success of national efforts at development would be achieved faster and quicker when bolstered with international support. We understand that there are many challenges that exceed the capacity of individual countries to resolve alone. Nevertheless, Myanmar intends to proceed with its own efforts to sustain its growth momentum.

In addition to the suspension of multilateral financial assistance, economic sanctions have recently been imposed on Myanmar. As you know

very well, in reality sanctions do not benefit anybody including the country on which the sanctions have been imposed and the countries that impose them.

At this time of giving priority to poverty reduction by the International Community, imposing sanctions is directly contradictory to the objectives of the Community and adversely affects the social well being of the grass root levels.

I would also like to point out that the economic sanctions imposed on Myanmar are not in line with the IMF's Articles of Agreement as well as with the provisions of the World Trade Organization's Charter. As a legitimate member of these organizations I would like to object against these unfair and unjustified sanctions and freezing of Myanmar assets which are not only contrary to the multilateral organizations' principles but also to the basic humanitarian and social values.

Accordingly, at this forum, I would like to call for an end to the suspension of financial assistance and the economic sanctions imposed, undeniably without fairness and justification, on Myanmar. However, I would like to reiterate that we are willing and intend to continue to work and cooperate closely with the International Financial Organizations.

I would also like to take this opportunity to stress our understanding that the chief objectives of the Bretton Woods Institutions are purely economic in their nature and character. However, measures taken by these Institutions are now totally based on political considerations which is unacceptable and not in line with the objectives of their Charters.

It should also be mentioned that the economies and institutional capacities of member countries vary according to their different levels of development. As such, the institutions will need to adopt a broader view when advising member countries and to refrain from forging one-size fits for all policies. From this, the Institutions should understand that specific features play an important role in the development of each individual country. Therefore, in determining appropriate macroeconomic policies for member countries, the Institutions should take this fact into consideration and design appropriate policies that would serve the needs of the country concerned.

At a time when the Fund and the Bank are undertaking the task of trying to secure a better future for all of us, I wish to remind that due considerations be given to the developing countries' role and voice in the policy decision making process of the two institutions.

In conclusion, I would like to inform you that we will be keeping to our plans for economic growth and stability. I wish both the Fund and Bank success in their new year of operation.

Thank you.

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INTERNATIONAL MONETARY FUND

Press Release No. 7

September 23–24, 2003

Statement by **MAJOR GENERAL HLA TUN**,
Governor of the Bank for **MYANMAR**,
at the Joint Annual Discussion