

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. **LE DUC THUY**,
Governor of the Fund for **VIETNAM**,
at the Joint Annual Discussion

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H.E. Mr. Chairman

H.E. Mr. Managing Director of the Fund

H.E. Mr. President of the Bank,

Fellow Governors

Ladies and Gentlemen,

First of all, on behalf of the Delegation of the Socialist Republic of Vietnam, I would like to express our sincere appreciation to the Managements of the International Monetary Fund and the World Bank Group, the Organizers and especially the Government and people of the United Arab Emirates for their excellent arrangements for the member countries to attend these meetings of the Fund and the Bank in Dubai.

The Annual Meetings are taking place in the context that the regional and global economies have experienced numerous difficulties resulting from political instability in a number of regions, increases in oil price at the end of 2002 and early 2003, and the SARS impacts. In the short run, the global economy may still face many major challenges such as imbalance in the global balance of payment, volatility in stock markets and especially the continuing instability in some areas in the Middle East. However, it is good to note that in recent months, the world economy has showed sign of recovery and expectedly continues to grow at the rate of 4% in 2004. Given the recent overall picture of the global economy, the Asian emerging economies remain shining spots with favorable expected growth rate of 6% in 2003.

So far, the IMF and the WB have made a number of significant efforts, notably the IMF's effort in enhancing crisis prevention and resolution, and the World Bank's effort in

supporting sound policies with adequate and appropriate financing; in recommending specific solutions to enhance the voice and participation of developing and transition countries. It is notable that the Independent Evaluation Office was established in the Fund as a bridge for the Fund to better understand the member countries and for member countries to enhance their ownership. We hope that the Office will play an important role in promoting dialogues between the Fund and member countries, truly reflecting their voice to the Fund Management in order to have necessary adjustments and thus making the assistance programs of the Fund and associated conditionality more in line with the actual situation of the beneficiary countries reflecting differences in their economic, cultural, political and legal conditions.

Ladies and Gentlemen,

Among the developing countries in Asia, Vietnam remains a country recording sustainable and high economic growth with GDP growth rate of 7.04% in 2002 and the expected rate of 7.1% for 2003. Prudent and flexible monetary policy not only helps keep macro-economy stable but speed up the economic development. Inflation rate was controlled at 4% per annum in 2002 and the same level expected for 2003. The industrial sector continues to enjoy high growth rate, thus creating favorable condition for sustainable economic growth. Other real sectors such as agriculture, forestry, and fishery have also shown structural shifts and reach a relatively high growth rate. These achievements not only contribute to meeting the demand of domestic consumption but also boosting exports. As a result of high economic growth, budgetary revenues in 2002 and early 2003 recorded substantial improvements hence sustaining budgetary expenditures, especially for poverty reduction, health, education, for which the targets have been met.

To achieve the socio-economic targets for 2003, namely GDP growth rate of 7-7.5%, total export and import value increase by 7.5-8%, maximum CPI of 5%, creation of 1.5 million new jobs, reduction in poverty rate to 12.5% etc., the Government of Vietnam

continues to make best efforts in maintaining economic growth at high and sustainable rate; mobilizing and fully utilising all development resources; enhancing competitiveness of enterprises; furthering the reforms of the state-owned enterprise and banking sectors along with promoting the development of private and small-and-medium enterprise sectors; effectively implementing commitments and roadmaps for international economic integration, particularly preparing adequate conditions for WTO accession; further developing and improving quality of education, health and training; and accelerating poverty reduction etc..

In addition to the great efforts of the Government of Vietnam, significant contributions to our encouraging achievements have been made by the Fund, the Bank and bilateral donors with their great support and assistance through the PRGF/PRSC programs and in the form of financing for the key development projects in socio-economic infrastructure and poverty reduction. The Government of Vietnam highly appreciates the approval of the Bank for the PRSC II for Vietnam. For the PRGF program, we continue to pursue the targets and conditions as initially agreed between the Government of Vietnam and the IMF, and do believe that the Management of the Fund continues to provide us with such valuable support as in the past.

In conclusion, I would like, on behalf of the Government and the people of the Socialist Republic of Vietnam , to express our sincere thanks not only to the Fund and the Bank but also the entire international financial community for their continuous active support and assistance to Vietnam.

Thank you very much for your attention and wish all of you the best of health and success.