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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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Mr. Chairman, fellow Governors and Delegates,

First of all, on behalf of the delegation from the Socialist Republic of Vietnam, I would like to express our warmest congratulation to the Chairman for being selected to chair the Annual Meetings of the International Monetary Fund and World Bank Group this year. It is our high appreciation to these two leading international financial institutions of their recent efforts in supporting member countries to ensure financial stability, sustainable growth and poverty reduction. Also on this occasion, may I send a special congratulation to Mr. Rodrigo de Rato as these are the first Annual Meetings Mr. De Rato has attended as Managing Director of the IMF.

In retrospection of the two institutions' activities last year, apart from general efforts in improving and strengthening international financial systems, the IMF and the WB have also focused on supporting developing countries, particularly the poor in order to facilitate growth and poverty reduction and strengthen their debt sustainability. While the WB concentrates on such areas as strengthening the financial support to developing countries for the purposes of infrastructure development, creating more favorable investment environments and reinforcing supports to poor countries, the IMF has strengthened its surveillance as a contribution to international community's efforts in preventing crises, strengthening financial stability and fostering high and sustainable growth.

Ladies and Gentlemen,

Since the last Annual Meetings, the global economy has experienced a fundamental recovery, evidenced by significant improvements in many aspects such as stronger reforms and poverty reduction in developing countries, substantial growth in trade and

industrial production, and sharp, though unstable, increase in international capital flows. The world economy, however, is facing with certain risks such as potential terrorist dangers, unresolved and unpredictable political instability, irregular movements of hard currencies, and large increases in prices of crude oil and some raw materials, etc. Moreover, the recovery is uneven across countries, which makes it much more challenging to reach the Millennium Development Goals and to maintain sustainable poverty reduction. Nevertheless, it is hoped that the expected promising economic outlook for the near future will create favorable conditions for strengthening the policies which aim at addressing the macroeconomic imbalances and the vulnerability of the banking and financial system, and deepening structural reforms to promptly improve the investment environment.

In the overall picture of the global economy, Asia-Pacific is recognized to be the region which achieves the highest and most stable economic growth in the world. Despite difficulties resulted from oil price hikes following the Middle East region chaos, and the SARs epidemic, Asian-Pacific as a whole still has its growth rate reached 6.3% in 2003 and expected to reach 5.8% between 2004 and 2008, higher than that of any other region.

Ladies and Gentlemen,

Right from the beginning of 2004, the implementation of Vietnam's socio-economic development goals has faced with many challenges such as the avian flu, the unfavorable natural conditions, and the sharp increases in prices of certain raw materials and consumption basic necessities, which induced inflation to accelerate in the first months of the year and slightly mitigated the first quarter growth rate. Nevertheless, real GDP growth rate for the year is projected to be at 7.5 percent or higher. The current account registered a deficit but at a controllable level, and export-import activities showed positively developments, with exports in the first eight months being projected to increase by 25.7% from the same period last year. International donors and investors are of the view that in Asia, Vietnam is among those countries that have developed favorable

business environment, thanks to the Government's efforts in improving the investment environment for all economic sectors. Donors continue to support the reform program in Vietnam and assist the Government's efforts in accelerating growth and fighting against poverty, specifically in implementing the Comprehensive Poverty Reduction and Growth Strategy (CPRGS, the name of the Vietnamese PRSP). Also, the Government of Vietnam is determined to accelerate trade reforms and continues its efforts in negotiating to access WTO in 2005.

In order to fulfill the socio-economic development tasks set for this challenging year, the Government of Vietnam has initiated major solutions, including the continued focus of effort on stronger improvement of business environment, more enhancement of investment efficiency, higher progress in external economic development, pushing up the preparation for WTO accession, and strengthening the administrative reform program. In facing with the accelerating inflation in the first months of the year due to exogenous factors, the Government of Vietnam has prioritized the task of stabilizing the macroeconomic environment in order to facilitate the sustainable growth of the economy.

I am convinced that, with the utmost determination and efforts by the Government and people of Vietnam, and the continued support from international community including the International Monetary Fund and the World Bank, our country will overcome the challenges ahead to successfully achieve the objectives set forth for 2004, therefore, creating a firm momentum for a faster and steady development in 2005, the final year in the 5- year program for 2001-2005.

Finally, I would like to wish all the delegates good health and success, and wish the 59th Annual Meetings a successful accomplishment.