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Statement by the Hon. **U HLA TUN**,  
Governor of the Bank for **MYANMAR**



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Governor of the Bank for Myanmar**

**Mr. Chairman**

First of all, I would like to congratulate you, on your election as Chairman of these prestigious meetings.

**Fellow Governors, Distinguished Delegates**

It is truly a pleasure and an honor for me to have the opportunity to address such a distinguished audience at these 2010 Joint Annual Meetings of the International Monetary Fund and the World Bank.

Taking this opportunity, I would like to warmly thank the Bank and the Fund for their warm hospitality and excellent arrangements for these meetings.

At this point of time, we all have a shared view that recovery from the recent global crisis has taken place at different speeds across the globe. We take note from the Fund's updated World Economic Outlook that output in advanced economies is now expected to expand by 2.5 per cent in 2010, an upward revision of 0.25 percentage point, while the Asian economies' growth is expected to reach 7.5 per cent in 2010. It is heartening to learn that the global growth is projected at about 4.6 per cent in 2010, an upward revision of about 0.5 percentage point in 2010, owing to stronger efforts made during the first half of the year. However, the forecast for 2011 remains lower than 2010 growth projection. This gives us alarm to remain vigilant. Although there were some encouraging signs of growth with the steady recovery in most advanced economies and strong growth in emerging Asia, fiscal sustainability issues, high unemployment and deflationary pressures in advanced economies and inflationary pressures fueled by capital inflows and escalating asset prices in emerging economies are threatening the recovery of the global economy. Nevertheless, we could hope at least that a global double-dip recession would be avoided.

As have been made in previous year's meetings, let me now brief you on recent economic developments in Myanmar. Since 1992-93, Myanmar has implemented short-term economic plans and accordingly, 2009-2010 is referred to as the fourth year of the

Fourth Five-Year plan. Mainly due to increasing exports of natural gas and agricultural exports, Myanmar expects an economic growth rate of 12 per cent in 2009-2010, compared to the previous year's growth rate of 10.1 per cent. Favourable weather condition gave support to a higher growth of output.

Regarding the developments on the fiscal front, fiscal imbalances have been contracted after prudent fiscal policy has taken place in the previous years. Myanmar has tried to strike balance between the spending for development purposes and controls over the spending not to cause destabilizing conditions. We have stepped up in taking appropriate measures to enhance government revenue. This has helped reduced the budget deficit in 2009-2010.

On the monetary front, I am pleased to express that the inflation rate has bogged down to around 3.84 per cent in September 2009, from 12.04 per cent at the beginning of 2008-2009, due to the decline in the global oil price, slow pace of domestic credits and prudent policies.

Regarding the banking sector, due to strengthened banking supervision, regulation and very limited integration into the global financial markets, Myanmar has limited adverse effects of the global financial crisis. We have even an increased number of private banks. We also continue to ensure that the banking sector is proper, healthy and irrelevant to improper transactions, including money laundering and financing of terrorism.

On the external front, Myanmar has witnessed an increased external demand for its mining, forestry, marine and agricultural products and its current account has been in surplus since 2004-2005. In 2009 December, the nation's current account remained in surplus, mainly due to trade account surplus.

I am pleased to mention that Myanmar has had a speedy recovery from the disaster caused by Cyclone Nargis that hit some parts of Myanmar in May 2008. Here, on behalf of the government of Myanmar, I would like to express our sincere and deep gratitude to all those who have helped our people for rapid rehabilitation.

In pursuit of all-round development programs, Myanmar has implemented various socio-economic development projects steadily. Border areas development programs, rural development schemes, economic infrastructure development programs, 24-special development zones projects, HRD programs, literacy campaigns, and a broad-based health care schemes etc, are among crucial cases of development endeavors made within our own resources. Of course it has been over twenty years now that the multilateral institutions have neglected Myanmar's development needs and its eligibility to enjoy

tangible assistance as a member of these institutions. Myanmar has also made progress in achieving the Millennium Development Goals. We will continue to promote our cooperation with the international community.

I would like to close my statement by expressing our thanks again to all those who put efforts to make this year's meetings of the Bank and the Fund a success.

Thank you.