



43rd ANNUAL MEETING
BOARD OF GOVERNORS
ASIAN DEVELOPMENT BANK

Tashkent, Uzbekistan

1-4 May 2010

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VIET NAM

Nguyen Van Giau, Governor

Dear Mr. Chairman,
Dear President Kuroda,
Distinguished Governors,
Ladies and Gentlemen,

It is my great pleasure to attend and speak at the 43rd Annual Meeting of the Asian Development Bank (ADB). First of all, let me express my sincere thanks to the ADB for excellent preparation for this Annual Meeting. I would like also to thank our Uzbekistani hosts for their hospitality, warm welcome and cordial arrangements during this special event.

The 43rd ADB Annual Meeting takes place in an important period when Asian economies play leading role in determining global economic recovery. Although recovery may vary among nations, we are all confident that thanks to enormous efforts for implementation of stimulus packages and post-crisis measures, the recovery of regional economies will continue this year and in 2011.

Together with regional and global efforts, in 2009 Viet Nam successfully lessened adverse impacts of global economic downturn and maintained good momentum for stable growth during post crisis with GDP of 4th quarter increased by 6.9%, contributing to annual GDP growth of 5.3% compared to the targeted growth of 5% set at the beginning of 2009.

Over the last two decades, Viet Nam has always been one of the highly growing economies in Asia, with annual growth of GDP averaging 7.1% between 1990 – 2009. A long period of rapid economic growth, combined with many pro-poor policies, has enabled Viet Nam to reduce poverty significantly, dropped from 58.1% in 1993 to 12.3% in 2009, and to successfully achieve the target of becoming middle-income country and to go forward to an industrialized nation by 2020.

2010 is the key year for Viet Nam as it ends the current Socio-economic Development Plan of Viet Nam 2006 – 2010 to transfer to a new 5-year Plan 2011 – 2015 and sets orientation for national development toward 2020. Therefore, by setting macro-economic stability as foundation for sustainable development in the future, the Government of Viet Nam continues its strong efforts and measures aiming at macro-economic stability, appropriate inflation control

and an economic growth rate of 6.5%. Main measures which are vigorously being taken include controlling inflation; boosting exports; mitigating trade deficit; improving balance of payment; assuring sufficient allocation of resources for implementation and achievement of socio-economic development objectives.

Ladies and Gentlemen,

Although the recent financial crisis and global economic downturn cause severe impacts on many economies in the world, Viet Nam is still considered as a successful nation in dealing with crisis. Quoted some international organizations as saying “Viet Nam has weathered the crisis relatively well” compared to many other countries.

This success partially comes from our enormous efforts and vast mobilization of internal resources, our strong determination and timely introduction of curative measures by the Government. Talking about this success, it will be a big mistake if we do not take into account valuable support of ADB and international community. ADB and international donors shouldered with Viet Nam in every step of our national socio-economic development and also in difficult moment when Viet Nam weathered the global crisis. Since the resumption of bilateral relation in 1993, ADB has extended to Viet Nam many valuable and essential supports. Cumulative assistance up to now includes 99 sovereign loans totaling \$8 billion, a significant number of grant and technical assistance projects amounting to \$327.5 million. ADB has also approved 8 non-sovereign loans and other guarantees totaling \$280 million. Under ADB support, Viet Nam also joins some regional technical assistance projects for Greater Mekong Sub-region (GMS) and is currently one of biggest beneficiaries of ADF and an important recipient of OCR resources. In addition to direct support in forms of loan and grant provision, efficiently serving for the causes of poverty reduction and socio-economic development in Viet Nam, ADB has been actively involving in policy consultancy and talks with Viet Nam. By joining policy dialogues with Viet Nam and by making timely adjustments, ADB’s country strategy and programs designed for Viet Nam are generally in line with our strategy and meets our needs in various stage of development, from poverty reduction to infra-structure investment and sustainable development. The ADB pledges to maintain bilateral consultancy and discussion with Vietnamese government on the 5-year Socio-economic Development Plan 2011 – 2015 and Orientation toward 2020 for better preparation of new Country Strategy and Program (CSP) for Viet Nam which are expected to be more efficient and viable.

Ladies and Gentlemen,

ADB has been playing a more important role in international financial community and involving more intensively and extensively in the development of Asian economies. Therefore, ADB in different stages of development should consider some flexibilities and adjustments in order to serve more diversified and increasing needs of members.

Being one of ADB’s founders, Viet Nam has been acting as believable and responsible member. We recently support an increase of sovereign loan charge from 0.2% to 0.4% which allows more funds for ADB to cover its administrative cost in the situation that ADB is expanding its operations to serve its members better. To support developing members to gradually adapt to this change, ADB should set out appropriate steps for application and help poor countries avoid big burden while still struggling with adverse impacts caused by recent global economic crisis.

Viet Nam is fully aware of the importance and significance of ADB resources provided to its members and highly appreciates these supports. On the one hand, we try our best to make use of these valuable resources in the most effective and efficient manner, on the other hand we understand that the diversification of financial resources and introduction of new supporting methods will enable ADB to expand more intensively and extensively its operations in Viet Nam in the context that competition for loan among members increases and financial resource is becoming limited. We also understand that there is possibility of change in the character and composition of ODA resource for Viet Nam when it becomes a middle-income country. Therefore, we highly appreciate the ADB's new supporting initiatives for Viet Nam including the use of co-financing mechanism, promotion of public and private partnership, provision of risk guarantees and other forms of support.

We hope that in the coming time, along side with ADB's traditional supporting areas, ADB considers strengthening its support to our efforts in environmental protection and mitigation of negative influences caused by climate change. Having a very long coastline, in recent years, Viet Nam has been severely affected by the rise of sea level, flood tide, tidal flow, salt-marsh and uncultivated land. Most of population in these areas are poor farmers – the most vulnerable community and in practice are suffering most. The Government of Viet Nam so far has extended many supports to this community to partially lessen their burdens. However, efficiency of assistance is still limited due to the shortage of government's resources, therefore, Viet Nam urgently needs cooperation and assistance of international donors to deal with these issues. Being one of the top exporters of rice and agricultural products, Viet Nam acts as one of world guarantors for food security, is deserved for international supports to cope with climate change's influences and by providing support to Viet Nam, international community also help our country to achieve sustainable development.

The Government of Viet Nam strongly supports new policies of ADB for efficiency enhancement and pledges to discuss concerned issues with the ADB, thereby to achieve objectives set for comprehensive development and sustained poverty reduction. The Vietnamese government and people acknowledge and highly appreciate practical and effective supports of the ADB. We hope that ADB shall continue its success by actively leading the development of the Asia Pacific region, thereby providing more efficient support to the development and integration of its developing members.

Viet Nam also applauds the Streamlined Business Process recently introduced by the ADB. It will help streamlining ADB's internal procedures and better serving ADB funded projects and programs. Viet Nam always stresses the importance of its administrative reform and streamlined procedures as we understand that Viet Nam is still facing a challenge of how to use ODA resource more effective and efficient. The streamlined procedures shall help not only shorten decision-making process but also allowing more extensive and intensive decentralization to main implementing agencies, and thereby improving transparency and efficiency in the use of ADB resources.

For better provision of service, ADB should continue to consolidate its traditional comparative advantage and adopt a dynamic perspective to supporting infrastructure development in its members as it is vital for economic growth. This support should not only limit to one member country but also to regional and sub-regional development through various channels of lending and social development funds to reduce borrowing costs of poor members. ADB should further expand its operations in the private sector, thereby creating favorable conditions for more active participation of private sector in infrastructure development. In this regard, we applaud the active participation of ADB to the recently established ASEAN Infrastructure Investment Fund.

In addition, ADB should continue to facilitate regional cooperation initiatives into its operations and provide more high-quality knowledge products to meet increasing demands from its developing members. To achieve these objectives, ADB should establish regional knowledge sharing platform to facilitate experience exchanges and introduce an appropriate mechanism for allocation of both financial and human resources. We are confident that by making these efforts, ADB will certainly serve its members more effective and efficient.

Ladies and Gentlemen,

On behalf of the Vietnamese Government, I would like to express big honor and sincere thanks to the ADB's Management and Board of Governors for their confidence to choose Viet Nam as host country for the 44th ADB Annual Meeting which will be held in Hanoi in early May 2011. We do believe that thanks to our vast experience of hosting many high-ranking international conferences and strong support from all of you, the next ADB Annual Meeting in Viet Nam will come with brilliant success.

Wishing you all good health and prosperity.

Thank you for your kind attention!