

**VIET NAM****LE DUC THUY, Governor**

It is my honor to address this Thirty Eighth Annual Meeting of the Board of Governors of the Asian Development Bank. First of all, I would like to extend my congratulations to the host Government of Turkey and the ADB on the excellent organization of this important event. It is my great pleasure to visit Istanbul, a fascinating city with unique historical and cultural background, where the East meets the West. I wish to especially express my gratefulness to the city's people and government for their warm and generous hospitality. I would like also to join fellow governors to welcome Mr. Kuroda, the ADB new president, and I wish him all the best in his term of leadership of this very important regional development bank.

The focuses of world economy picture in 2004 were an unexpected, long rising of oil price and highest level of growth since the regional crisis. Despite the rise of oil price, average inflation rate was contained at about 3%, relatively equals to the level of 2003. International trade growth in 2004 reached 8.5%, the highest average over the last 4 year time. The vigorous growth of international trade has become a driving force of the global high economic growth. However, the serious devastation of the earthquake and tsunami happened late last year and its long lasting aftermaths also cause negative impact on the recovery of region's economy. At this forum, I would like to express our great sympathy to the countries hit by the disaster for heavy losses of human and property.

In 2004, Viet Nam was challenged by hard-to-control difficulties including the spread out of bird flu to almost every corners of the country; price increase of commodities; severe weather conditions in some areas. However, thanks to the proactive implementation of enhanced reform actions and timely and synchronized responsive measures to the difficulties, last year, Viet Nam was able to continue encouraging economic and social outcomes. Economic growth rate was at 7.7%, higher than that of 2003, mainly accounted for robust growth in industrial, trade and service sectors; export grew by 31% reflecting the expanding international trade scale of the country; State Budget's revenue was 14.5% in excess of target making 2004 the seventh consecutive year of having State Budget's revenue in excess of target. The positive economic outcomes have contributed to effective realization of social objectives. Poverty incidence, computed by national standards, was further reduced from 11% in 2003 to 8.3%. Thriving economic performance in 2004 had helped generate 1.5 million additional jobs thereby reduced the unemployment rates to 5.6% in the urban and 1.1% in the rural.

2005 is the year in which Viet Nam is to complete the implementation of 5-year Economic and Social Development Plan for 2001-2005 and to conduct a midterm review of implementation of 10-year Economic and Social Development Strategy for 2001-2010. This is time for Viet Nam to make stronger changes to accelerate its course of economic reform and development with an aim of achieving high yet sustainable and pro-poor growth. Our next 5-year Economic and Social Development Plan for the period of 2006-2010 defines some principal directions, including: (i) striving for achievement of rising economic growth at a level higher than that of the last 5-year period, and thereby double the per capita income by 2010 in comparison with the level of 2000; (ii) substantial completion of the restructuring of state-owned enterprises through

accelerated equitization of SOEs, including large-scale enterprises, and continued implementation of reform program in financial sector; (iii) facilitate development of private sector, especially of the small and medium enterprises; (iv) accelerate the international economic cooperation and integration process through satisfactory fulfillment of commitments under integration arrangements and enhanced cooperation with strategic multilateral and bilateral partners; (v) make effective and sustainable changes in public administration reform and fights against red tape and corruption. It is true to say that the Doi Moi in Viet Nam has just changed gear to speed up with bolder and decisive reform measures and programs. In the year of 2005, Viet Nam is also putting highest level of effort into the accession to the World Trade Organization. In this process, we highly appreciate all the support and cooperation from the WTO members.

I share the concern of President Kuroda of the Asian-Pacific Region full of successful stories yet major challenges remain, and the most challenging one is poverty reduction. With the ADB setting poverty reduction its overarching goal, we have trust that one day in a not far future, this Region would be free of poverty. To make that dream come true, countries in the Region and the ADB must try much harder, especially the ADB in the role of Region's principal assistance resource provider and coordinator. Organizational restructuring as well as external relationship strengthening by the ADB are commendable efforts that need to continue to further improve the efficiency of the performance of the Region's "Family Doctor". Viet Nam welcomes any dialogue with ADB as to help the organization better understand and respond to the diverse needs of its DMCs, and make appropriate changes to its operation procedures and policies. The forthcoming Kunming GMS Summit Meeting in July is another important milestone of the subregion's economic development cooperation under ADB-sponsored Greater Mekong Subregion Initiative, the most successful subregion arrangement. Viet Nam undertakes to closely cooperate with other GMS members and the ADB to further promote the efficient use of this ADB additional funding channel for the sake of poverty reduction and economic development in the subregion.

Ladies and gentlemen, I strongly hope that under the leadership of President Kuroda, ADB will be reinforced to become a reliable development partner with efficient resources of the Region's growing economies.

On behalf of the people and Government of Viet Nam, I would like to express once again our sincerest gratitude to the ADB for the continued and invaluable assistance extended to our country. Thank you for your attention.