



39TH ANNUAL MEETING

BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

Hyderabad, India

4–6 May

GS-13

MYANMAR

Hla Tun, Governor

It is a great honor and pleasure for me to represent Myanmar and to address this auspicious 39th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) in this very spectacular city of Hyderabad.

At the outset, I would like to take this opportunity to congratulate the chair on his election as chair. May I also extend our warmest welcome to Brunei Darussalam as the newest member of ADB.

On behalf of the Myanmar delegation, I also wish to join other speakers in expressing our deep and sincere appreciation to the Government and the people of India as well as to the ADB Management and staff for the excellent arrangements made for this very important meeting.

The global economy is currently encountering a number of risks and challenges. These include global imbalances and disorderly adjustment, leading to turbulence in global financial markets; a sharp upturn in global interest rates; outbreaks of avian influenza; and further increases in oil prices. However, Asia, and especially developing Asia, has exhibited remarkable resilience. Developing Asia is continuing to adjust to the emergence of the People's Republic of China (PRC) and India as major economic powers. Taking advantage of the enormous opportunities that these potential economic powerhouses should bring to the region, developing Asia is expected to continue rapid and robust growth in the coming years. While developing countries, including those in Asia, strive for continued economic momentum, developed countries will also need to contribute to the social and economic development of the rest of the world to assist in achieving balanced global growth.

I would like to highlight some recent economic developments in Myanmar. The year 2005-2006 is the final year of the Third Five Year Short-Term Plan. The objectives of the plan are:

- to set up more industries based on agriculture;
- to ensure the development of the electric power and energy sectors in conformity with the establishment of more industries;
- to exert greater efforts for self-sufficiency in the agricultural sector and the fish and meat sector and to strive for exports;
- to strive for the all-round development of other sectors;



- to develop the social sector, including education and health, for the reduction of poverty, promotion of gender equality, reduction of income distribution and development of human resources; and
- to ensure rural development.

I am happy to say that Myanmar's economy has performed very well in recent years. The agricultural sector, which represents over 40% of GDP, remains the main engine driving the nation's economic growth. In addition, the energy, livestock and fishery, mining, manufacturing, and processing sectors have contributed to the growth of the economy.

The government has laid down and is implementing projects for development of economic infrastructure and is making efforts in all spheres to develop the private sector. Efforts are also being made to establish agro-based industries, and to develop the electric power and energy sectors. The Government is also encouraging the use of bio-diesel products from physic nut as an alternative energy source. Further improvement of the agricultural and forestry sectors for self-sufficiency and export is also being undertaken. Moreover, improvements to the education and health sectors are being made in order to reduce poverty and ensure the development of human resources. Rural development is being carried out in order to achieve the Millennium Development Goals (MDGs).

Because of these efforts, significant progress has been made. Although there are some negative external impacts, such as higher oil prices and pandemic diseases, a high growth rate was achieved in 2004-05. Therefore, based on the high growth rates in all sectors for the past couple of years, the growth rate for 2005-2006 is expected to exceed targets.

There was an outbreak of avian influenza in some townships of Upper Myanmar in February and March of this year. The Government, closely working together with the World Health Organization (WHO), has taken actions as well as precautionary measures to prevent and control the disease. I am glad to say that the Government has been successful in controlling avian influenza and that no human cases have been detected.

To successfully achieve the Millennium Development Goals (MDGs) remains our top priority, as well as our greatest challenge. In this context, I am glad to inform you that, in line with the country's political, economic and social objectives, Myanmar has been able to make progress toward some of the MDG targets. Nevertheless, there are still some challenges that need to be overcome if all are to be met by 2015.

Myanmar is also making continuous efforts to combat money laundering and to fight financing of terrorism as well as to prevent trafficking of persons, in cooperation with the international community. Accordingly, the Control of Money Laundering Law and Rules and the Mutual Assistance in Criminal Matters Law and Rules were enacted in the past couple of years. The Anti-Trafficking of Persons Law was promulgated in September of last year. In this regard, I would like to inform you that Myanmar became a member of the Asia and Pacific Group on Anti-Money Laundering in March of this year. Myanmar will continue to take part not only in regional economic and financial cooperation, but also in preventing and combating terrorism and anti-money laundering issues at the international level as well.

May I reiterate here that Myanmar has made these achievements by depending on its own resources. It has been nearly 18 years since international organizations, in many of which Myanmar is an active and long-term member, have neglected and stopped giving financial assistance to Myanmar. In using its own resources for its economic and social development, Myanmar has had to overcome many obstacles and difficulties on its own.

Needless to say, a country's efforts to develop would be achieved more quickly if its efforts were supported by international organizations, as there are many challenges that may

exceed the capacity of an individual country to overcome alone. It is fortunate that we have good relations with our neighboring countries, which have assisted Myanmar in its times of need. In the meantime, Myanmar is doing its best to maintain its growth momentum and is determined to continue its efforts.

In doing so, like other countries, Myanmar may have to face some risks and challenges. One of the challenges is the economic sanctions imposed by the United States on Myanmar and the international financial institutions' decision to stop financial assistance to Myanmar. These actions have pressured the Government to rely on its own resources in order to achieve sustainable growth. This has led to continued budget deficits. However, it is expected that in the near future Myanmar will be able to balance its budget because of a broadening of the tax base, high growth rates in production, and increases in exports.

On the other hand, continued increases in global oil prices are yet another factor that may have an impact on Myanmar's economy. Although Myanmar is an energy-exporting country, during this fiscal year it may face imported inflation as the prices of some imported goods may rise.

Whatever risks and challenges lay ahead, Myanmar intends to forge ahead to maintain its growth momentum, not only for its own benefit but also for the benefit of the whole region. At this stage, ADB should consider resumption of its financial assistance to Myanmar, so as not only to assist in achieving economic development but also for the successful implementation of the Millennium Development Goals (MDGs). Myanmar for its part intends to continue to cooperate and collaborate with ADB for the development of regional coordination.

Finally, I would like to express our profound thanks once again to the people and the Government of India for their warm hospitality extended to us since our arrival and the excellent arrangements provided to us. Let me conclude by thanking President Kuroda and the ADB staff for their continued dedication to economic development in the region. We look forward to having closer cooperation with ADB in the future and I wish ADB all the success in the coming year.