



BHUTAN

Namgay Tshering, Governor

Mr. Chairman, Mr. President, Hon'ble Governors, Distinguished Delegates, Ladies and Gentlemen,

At the onset, I would like to convey the warm greetings of His Majesty the King, the Government and the people of Bhutan to all the distinguished delegates participating in this very important event here in Fiji. It is indeed an immense pleasure for me and my delegation to be a part of the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB).

I would like to thank the Government of the Republic of Fiji for extending kind hospitality to me and my delegation and congratulate the government for successfully hosting this very important event. I also would like to express our sincere appreciation to President Nakao and ADB team for the excellent arrangements made for this Annual Meeting in this beautiful country.

Mr. Chairman, Distinguished Delegates, ladies and gentlemen, it is inspirational to note that the global economic growth is expected to pick up from 3.3% in 2019 to 3.6% in 2020 supported by significant policy accommodation by larger economies. Bhutan has made good progress in its socio-economic front and has achieved economic growth at an average of 7.5% over the past three decades. The growth is expected to remain between 6-7% in the next five years. Traditionally, the high economic growth in Bhutan is largely contributed by hydro power sector. However in recent times, the growth in service sector has constantly increased contributing to almost 42% of GDP as of 2017.

Following the development paradigm of 'Gross National Happiness', developmental plans and programmes in Bhutan are drawn in perfect synergy and consonance with sustainable development targets. The per capita income also increased to USD 3,438 in 2017 from USD 1,290 in 2005. Considerable progress has also been achieved in alleviating poverty; the poverty rate has reduced from 12% in 2012 to 8.2% in 2017. As such, Bhutan is on track to achieve most of the regional and global targets.

With prudent and inclusive fiscal policy guided by strong legal framework and continued support of development partners, the Government has been able to contain the fiscal deficit below 3% of GDP over the plan period, as mandated by the Constitution. Since the formation of third democratically elected government following the general election in November 2018; my government is striving to bring major fiscal policy reform to strengthen the base of our economy. Some of the fiscal reform includes introduction of Goods & Service Tax (GST) and exploring innovative financing mechanisms.

Mr. Chairman, distinguished delegates, ladies and gentlemen,

I am pleased to report here that Bhutan will finally graduate from the list of Least Developed Countries (LDC) by 2023 and enter the cohort of Middle Income Countries 4 years from now. While it is of great pride that Bhutan has made significant development progress enabling it to graduate from the list of LDC, we must be mindful of our shortcomings and prepare accordingly, so as to ensure smooth and sustainable transition. It is crucial that Bhutan continues to receive support and assistance from our development partners and multilateral development banks to successfully implement the priority developmental activities. The 12 FYP will be the last plan period as LDC, therefore the focus of the 12 FYP will be to build productive economic capacity, generate employment through skills development, and diversify and build economic resilience, so that the graduation is sustainable.

With a total outlay of Nu. 310 billion equivalent to about USD 4.5 billion for five years; the Royal Government of Bhutan has started implementing the 12 Five Year Plan with the overarching goal of 'pursuing just, harmonious and sustainable society through enhanced decentralization'. The 12 FYP is built upon the 17 National Key Result Areas aligned to four pillars and nine domains of Gross National Happiness (GNH).

Mr. Chairman, Distinguished Delegates, Ladies & Gentlemen.

I must reiterate my sincere thanks to the President Nakao and ADB senior management for your unwavering support to Bhutan irrespective of the size of the Bank's portfolio in the country.

Since becoming member in early 80s, Bhutan has continued to receive progressive development support from ADB in priority sectors such as energy, finance, transport and urban development. With much affection, I am proud to inform here that ADB is Bhutan's largest multilateral development partner. ADB's favourable lending policy coupled with budgetary support has helped to improve the fiscal position and provide flexibility to respond to the changing priorities of the Royal Government of Bhutan.

In conclusion, I would like to once again express our deepest appreciation and gratitude to President Nakao and ADB Management for your continued support extended to the Royal Government and the people of Bhutan. I would also like to congratulate ADB's efforts towards achieving ADB's vision 2030: the vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. We would like to wish success to President Nakao and ADB Management in carrying forward the reform initiatives successfully.

I thank the Chairman and the distinguished delegates for this opportunity.

Thank you and Trashi Delek.