



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Thipphakone Chanthavongsa, Head of Delegation

Mr. Chairman
Fellow Governors
Ladies and Gentlemen

On behalf of the government of the Lao PDR, let me begin by thanking the government of Fiji for the warm welcome and generous hospitality. It gives me and my delegation an enormous pleasure to be here in Nadi on the occasion of the 52nd Annual Meeting of ADB. I also wish to express my appreciation to Mr. Takehiko Nakao as well as the ADB management and staffs for their relentless effort in organizing this Annual Meeting under the theme "Prosperity Through Unity"

Mr. Chairman,

After the slow recovery in the advanced economies as a result of the world financial crisis and sharp adjustments in the world commodity prices, many emerging economies aim to strengthen the growth prospect and make it more inclusive and sustainable. The global economy is in the midst of a decade long slow growth environment characterized by an imminent productivity growth crisis. The looming labor shortage in mature economies and skill deficiencies in emerging markets will add further challenges to global economic prospects. Global growth lacks demand drivers and potential output is likely shrinking while uncertainty is increasing.

Global growth is expected to remain around 3.0 percent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. While in the regional economic aspect, regional economic growth moderated last year but is expected to maintain a solid pace of expansion this year, underpinned by wage growth, infrastructure spending and foreign investment inflows. However, a prolonged and stronger moderation in the People's Republic of China, intensification of the American-Sino trade spat and financial market volatility pose downside risks to the regional economy. The ASEAN region is expected to grow at 4.8% in 2019 and 2020.

Ladies and gentlemen,

Lao PDR has achieved remarkable economic growth in the recent years, leading to improved living standards and sharply rising per capita income. However, the Lao PDR government has become concerned that growth has been resource-based and does not generate sufficient employment required for inclusive growth. In general statistical data, Lao PDR economic growth expected remaining at 6.5% in both 2019 and 2020. Industrial growth is forecast to edge up slightly to 8.1% in 2019 from 8.0% in 2018, largely because of sustained infrastructure development and an increase in electricity generation. The agriculture sector is expected to

expand by 2.5% in 2019 and 2020, and the services sector is expected to grow by 6.7%, thanks to the government's effort this year to attract tourists from the People's Republic of China and neighboring countries. In contrast, risks still remain, including an uncertain global trading environment. Meanwhile, the potential worsening of the country's fragile external payments position is a major domestic risk, as well as the threat of natural disasters. Most clearly evidenced by July 2018 flooding that affected 13 provinces across the northern, central, and southern parts of the country. This especially affected Attapeu Province through the branched saddle dam of Xe Pien – Xe Nam Noy hydropower dam. Overall, three flooding incidents in the summer of 2018 affected 17 out of 18 provinces, 90 districts and 268,000 people. These events will slowdown and affect dramatically progress towards the both economic growth and National Socio-Economic Development Plan.

In the long-term of the government of the Lao PDR sustainable growth strategy targeting non-resource based industrialization, productive capacity buildings, human resource development, reduced economic vulnerabilities, improve the business environment, and increase agricultural productivity will remain priorities. The strategy further aims to introduce a balanced and inclusive growth pattern that ensures as many Lao citizens as possible participate in and benefit from the gains of development.

Mr. Chairman,

ADB's Strategy 2020 reaffirms both its vision of an Asia and Pacific free of poverty and its mission to help its developing member countries improve their living conditions and quality of life. Furthermore, ADB has embarked on a new corporate strategy, Strategy 2030, to sharpen its corporate directions in order to make tangible development impact in the poorest countries of the Asia-Pacific region. For the Lao PDR and ADB relationship, it has been established long standing and excellent cooperation over 50 years. ADB plays an important role in providing financial and technical assistance and economic policy advice to support the implementation of National Socio-Economic Development Plan that aims to develop and assist the transition of the country for the development programs with the stated goal of reducing poverty. With valuable support provided, the livelihood of the Lao people has been improved.

Since the establishment of relationship, ADB has particularly provided enormous financing support to Lao PDR in active ongoing support to programs. Our ongoing Country Partnership Strategy 2017-2020 with ADB proven to be productive and is aligned with our 8th five-year Socio-Economic Development Plan 2016-2020. The Government will maintain to seek cooperation and support from ADB for accelerating the socio-economic development for the achievement of the SDGs.

For the Lao PDR, a strong and growing ADB is our esteemed wish as ADB has been the largest and a very valuable development partner of the Lao PDR and has helped supporting various sector developments namely energy, transport, education and regional cooperation under GMS Initiatives.

Ladies and Gentleman,

On behalf of the Government of Lao PDR, I would like to express our heartfelt gratitude to the Management and staff of the Asian Development Bank, and fellow member countries for the assistance given to the Lao PDR and extend the Government's continued support to join forces

with ADB in realizing substantial development results for Lao PDR. Let me conclude by wishing this Annual Meeting a great success.

Thank you.