

VIET NAM*

Pham Thanh Ha, Alternate Governor

Masatsugu Asakawa, President of the Asian Development Bank,
Governors and Heads of Delegations,
Ladies and Gentlemen,

It is my honour to speak on behalf of the Government of Viet Nam at the 55th Annual Meeting of the Asian Development Bank (ADB) held in Manila, the Philippines.

Ladies and gentlemen,

This year's Annual Meeting of the Bank is an event of special significance as members have been able to resume, for the first time, the face-to-face dialogue after more than two years of solely virtual communication due to the impacts of the COVID-19 pandemic. The Annual Meeting, thus, would be the opportunity for us to look back on what we have gone through in the past two years, exchange views, and share the experience of developing and implementing the policies and solutions to cope with the pandemic, to recover our economies, and to promote sustainable growth and strengthen economic cooperation amid the increasing impacts of the climate change in the post-COVID-19 era.

Before I deliver my speech, allow me to express our sincerest appreciation to the ADB Secretariat and the Government of the Philippines for the thorough preparation and warm welcome and facilitation extended to our delegation in the past days, an important factor that contributes to the success of this year's Annual Meeting.

Green and sustainable recovery

The crisis caused by the COVID-19 pandemic did and continues to affect the lives of people around the world. To date, an estimate of 612 million people around the world have been infected, and the COVID-19 epidemic has claimed the lives of 6.53 million people. Yet, its impacts have in fact surpassed the health statistics. More than two years of the epidemic has left consequences that need a lot of time to overcome; in addition, the ongoing geopolitical crisis risks exacerbating the existing problems, especially the increasing inequality and poverty and challenges to both public debt management and inflation control.

Facing the COVID-19 crisis, the world community has joined hands to quickly and effectively set up and deploy the global vaccination program, COVAX. We also see the solidarity and mutual

* Changed by Meeting Secretariat.

support of the international community in offering various emergency assistance programs such as the ADB's COVID-19 Emergency Support Program with many preferential conditions and simplified procedures right from the early days of the pandemic.

Along with gradually repelling the epidemic, countries have also steadily recovered their production and business activities, and the global economy has shown signs of improvement, with the 2021 global economic growth reaching an encouraging rate of 5.5%. With new uncertainties arising since the beginning of this year, however, the world economy's journey to a full recovery requires more effort on our part. Growth forecasts for the coming years have not shown signs of a stable development. The World Bank has forecast that global growth would only reach 4.1% in 2022 and 3.2% in 2023, while the UN also made a not so bright assessment of the world economic picture in the next two years.

Signs of rising inequality and poverty have become a significant challenge to the achievement of the Sustainable Development Goals (SDGs) in the post COVID-19 era. In the context of slowing economic growth and rising inflation, the poor are still the group most vulnerable to falling incomes and the lack of financial access and career opportunities. The economic downturn has contributed to widening the development gap between developing countries, emerging countries and the developed ones. The World Bank (2022) made an assessment that growth in developed countries would decline at a rate sufficient to be recovered to pre-crisis trends, but for developing and emerging economies, economic output would be 4% below pre-crisis levels. For economies severely hurt by the pandemic, this gap would be even wider, at 7.5% and 8.5%, respectively.

Meanwhile, the pre-crisis challenges, including climate change remain unabated. Natural resources continue to be damaged and new threats to human life have emerged in addition to the traditional risks posed by climate change such as the increased mortality due to air pollution. The environment condition has been alarming in many places but not received sufficient attention as resources are being prioritized for the goal of post COVID-19 economic recovery.

Ladies and gentlemen,

Economic recovery is understandably the strategic focus of countries in the current context. But a green and sustainable economic recovery is far more difficult, requiring close cooperation of many stakeholders. Therefore, the theme of the ADB's 55th Annual Meeting this year - **"Positioning Climate Resilient Green Economy for the Post COVID-19 World"** is very relevant and would intrigue in the open discussion by member countries of the problems and challenges they are facing, to draw lessons and find solutions suitable for each member's circumstances, and to identify what role multilateral development banks, including ADB, could play in these efforts.

Viet Nam and the green recovery efforts in the Post COVID-19 period

Viet Nam is one of the countries able to respond effectively to the COVID-19 pandemic since the early days. Upon entering the economic recovery phase, we have taken a combination of various measures aiming at promoting growth, maintaining macro-economic stability, supporting disadvantaged groups and ensuring the harmony with the Government's green commitments.

Thanks to those efforts, economic growth has been quickly restored and the country's socio-economic outlook for 2022 is assessed as positive. In the first 8 months of the year, macroeconomic stability was maintained, inflation under control, the major balances of the economy ensured. The average consumer price index (CPI) in August increased by 2.58%, basically comparable to the same periods during 2018-2021. The money market has been stable, and interest rates and exchange rates have been at reasonable levels. Import and export turnover in August increased by 15.5% over the same period last year. Food and energy security has been ensured, and the labour market has recovered positively. In August, the volume of realized foreign direct investment increased by 10.5% year-on-year.

Considering the Government's achievements in the economic performance and the growth momentum in the first months of the year, international organizations have revised upwardly Viet Nam's economic growth forecast for 2022 to 6.5 - 6.8% as compared to the rate of around 6% estimated before, with the inflation rate being kept below 4%, in particular: 3.9% by the IMF; 3.8% (ADB); 3.5% (HSBC); and 3.5% (Fitch Ratings). International credit rating agencies also simultaneously upgraded Viet Nam's credit rating thanks to strong economic growth prospects, improvements in public debt management, and a positive external position that helps to withstand the impact of external shocks. S&P (May 2022) upgraded Viet Nam's long-term national credit rating from BB to BB+, outlook Stable. Moody's (September 2022) upgraded Viet Nam's credit rating from Ba3 to Ba2, stable outlook. This upgrading is a recognition of the Government's efforts in policy management over time.

Dear Ladies and Gentlemen,

Faced with the crisis caused by the COVID-19 pandemic, in addition to strong efforts on health and vaccination, the Government of Viet Nam also promptly issued and implemented credit and financial policies and solutions to eliminate difficulties for businesses affected by COVID-19. The Government has developed and implemented the interest rate support program from the state budget for loans of enterprises, cooperatives and business households, of which the outstanding is the 2% interest rate support program from the State budget worth 40,000 billion VND. Commercial banks and the Bank for Social Policies promptly disbursed funds to implement the interest rate support program of the Government; assisting customers in debt restructuring, interest exemption and reduction, and maintaining the same debt group for customers affected by the COVID-19 epidemic.

The steady recovery of economic growth is also a condition that allows the Government to continue to prioritize efforts to respond to climate change in its development policies. At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), the Government made a responsible commitment to ensure net zero emissions by mid-2050 and participate in many important initiatives of COP26, such as committing not to build new coal power, committing to forest protection and rational land use, joining the global climate change adaptation coalition ... The commitments at the COP26 Conference will be incorporated into the goals of Viet Nam's programs, national action plans and top priorities in the coming time by the Government.

Partnering with ADB on the road to recovery ahead

We appreciate ADB's companionship in implementing reforms in Viet Nam over time, especially in the post-COVID-19 period. The issuance of the Viet Nam Country Partnership Strategy to 2030 will help Viet Nam identify new strategic priorities in its relationship with ADB and how to coordinate in the next step. The successes in programs and projects with ADB in the past have strengthened our belief in the growth of the partnership with ADB in the coming time.

In the context that Viet Nam graduated from ADF and moved to Group C countries, we see many opportunities to expand ADB cooperation in new areas such as supporting the implementation of commitments at COP26, economic development, green and sustainable economy, private sector investment... Moreover, the achievements in socio-economic development and especially the sustainable development prospects of Viet Nam in the short and medium term are important conditions that help ensure the success of projects that ADB can participate in financing in Viet Nam.

We are committed to continuing to maintain close cooperation with ADB and facilitate the Bank's extensive participation in the recovery process and gradually the green and sustainable growth of the Vietnamese economy on the upcoming road.

Thank you very much.