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Statement by the Hon. **SEYITBAY KANDYMOV**,
Governor of the Fund and the Bank for **TURKMENISTAN**,
at the Joint Annual Discussion

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It is a great honor for me to address the Annual Meetings of the World Bank and the International Monetary Fund. The issues being discussed today are of great importance for participating states, and in particular for the countries in transition.

Economic rehabilitation is ongoing. Countries in transition during this process were “learning by doing”. Each of them developed and introduced their own program of reform. Some of them made greater mistakes than others, some were faster in reform implementation, but all of these countries were following the path towards the market economy.

As one of the countries in transition, we appreciate and support the main principles and strategies of the international financial organizations aimed at assisting the process of transition and reform. The experience has already changed the perception of many international organizations of the issue of transition process. There is a greater understanding that each country in transition is unique both in nature and its approach to the reform, and initial conditions of each country at the beginning of transition were very different.

In this regard, we welcome the World Development Report, which is being widely discussed today, as it represents the new understanding of the development process, new approaches and strategies aimed at achieving economic growth, and establishes an agenda for the new role and actions of the international development organizations. We welcome increased attention of the World Bank and IMF to the developing countries’ view on development issues. In the years ahead we hope to see successful implementation of these new strategies.

Diminishing flows of international development assistance represents a growing concern in most of the transition countries. Cut in development assistance occurs at the time when such assistance could be most efficient based on experiences accumulated during the transition period. Another concern is that priority is given to the countries most advanced in transition process, while for those which did not take a path of “shock therapy” due to their cultural, economic and political basis, assistance programs are being drastically cut. I would like to express our sincere hope, that the new focus of the international financial organizations will result in sound programs of assistance for the developing countries.

Turkmenistan, following its own way to solve problems related to the process of transition, is undertaking significant steps to foster economic growth and advance the

reform process. Economy is steadily growing with GDP growth rising from 5% in 1998 to 16% in 1999 and preliminary estimate for GDP growth in 2000 is 14%.

This represents results of the consistent economic policy measures, being undertaken by the Government. These positive developments were achieved despite the significant external shocks facing the country: the fall of the world prices for major exports items of Turkmenistan, slowdown of the economic activity in the region after the Russian and world crises, and non-payment of debts by major debtor countries.

Such factors, as non-fulfillment of international agreements impede any country's efforts aimed at achieving growth and economic stability. Therefore, we would welcome more active implementation by the international financial organizations of their role and mandate: help strengthen and promote the trade and economic cooperation between member states.

In conclusion, I would like to express sincere appreciation of the Government of Turkmenistan for the assistance provided by international donors and international development organizations and the continuous dialogue related to the reform process.