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INTERNATIONAL DEVELOPMENT ASSOCIATION  
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES  
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Statement by the Hon. **HLA TUN**,  
Governor of the Bank for **MYANMAR**,  
at the Joint Annual Discussion

**Statement by H.E Maj. General Hla Tun**  
**Governor of the Bank for Myanmar**  
**At**  
**The 2006 Annual Meetings**  
**(19-20 September, 2006)**

Mr. Chairman,  
Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

I have much pleasure to have the opportunity to represent Myanmar and address the 2006 Annual Meetings of the International Monetary Fund and the World Bank.

Let me begin by congratulating you, Mr. Chairman, on your election as Chairman of these important meetings. It is very rare that the Annual Meetings have been held in South East Asia, only twice before had they been held: the first time in Manila in 1976; and the second time in Bangkok in 1991, and therefore, I, on behalf of Myanmar, am proud and pleased to attend this auspicious occasion which is now being held in this very modern and developed ASEAN member country, Singapore.

I express my sincere appreciation to Prime Minister Mr. Lee Hsien Loong for his thoughtful observations in his address. I also thank the Government and the people of Singapore for hosting these very important meetings and as well as for extending us their warm hospitality since our arrival.

It is heartening to know that the global economic outlook is encouraging. However, we should not be complacent as there still remain risks and challenges that need to be overcome. Although oil and commodity prices, especially gold prices, have

come down from their near record highs, they still remain high and there are uncertainties about their medium term trend and as such, upward drift in inflation is a likelihood. Geopolitical tensions have heightened while the renewed threat of terrorism is also looming very large. The global economy would be fluctuating in time to the changes and developments of these factors.

May I now brief you on the recent economic developments in Myanmar. I would like to stress that Myanmar's economy has continued to progress. In order to build a more stable and diversified foundation for sustained economic growth, successive short term plans have been formulated and implemented. In the Third Five Year Short Term Plan, from 2001-2002 to 2005-2006, significant growths has been achieved. Agriculture, livestock and fishery, energy and processing and manufacturing sectors are the main sectors which attributed to high growths of the economy.

As Myanmar aims to become a modern industrialized economy, measures have been undertaken to expand heavy industries, agro-based and agro-supportive industries and import substitution industries as well as export promotion industries. (18) industrial zones have been established and plans are also underway for the establishment of Special Economic Zones with the Special Economic Zone Law in the final drafting stage.

Development for transport and communication has also been given priority in order to strengthen the economy. For ensuring progress and prosperity as well as to fully achieve the Millennium Development Goals (MDGs), special emphasis has been placed for the development of the social sectors, as well as the development of human resources.

Myanmar has been diligently working towards establishing an effective anti-money laundering regime. As such, relevant laws, rules and regulations have been enacted, the latest one being the Anti-Trafficking of Persons Law which was promulgated in September of last year. Severe actions have been taken against organizations, enterprises and individuals who are found to operate money laundering activities. Due to

its relentless efforts, Myanmar has become a member of the Asia and Pacific Group on Anti-Money Laundering (APG) since March of this year.

Myanmar abhors and opposes any act of terrorism and thus has fully implemented the UN Security Council Resolutions relating to the prevention and suppression of financing of terrorism. Currently, Myanmar legislation draftsmen are in the process of drafting two anti-terrorists laws, namely: the National Aviation Security Law; and the General Anti-Terrorist Law. Myanmar is fully committed to engage further in establishing effective AML/CFT regime. We are in the final stage of discussions with the FATF Review Group in order to be removed from the list of NCCT. The FATF On-site Visit Mission will be coming to Myanmar during the last week of this month in order to assess the progress Myanmar has made in the area of AML/CFT.

We do not want to repeat again and again on the same issue year after year. However, it should be noted that Myanmar is a long and legitimate member of both the Fund and the Bank as it joined both institutions in 1952. Therefore, both institutions should not discriminate Myanmar on grounds, unrelated to its economic activities. Myanmar should be treated in the same manner as other members, without any discrimination whatsoever. As Myanmar is also an active member of various regional organizations, we are always trying our best to have normal relations with the organizations in which we are members. Therefore, we are still looking forward to resume normal relationship and to have close cooperation and coordination with the Fund and the Bank.

Resumption of normal relations with multilateral organizations would greatly support Myanmar's efforts at maintaining its growth momentum while at the same time upgrading the living standards of its populace and reducing poverty. No country can and need to stand alone. It is only by striving together with mutual trust, understanding, respect and coordination that global stability and prosperity could be achieved.

We remain committed to continue with our development efforts not only for our benefit but also for the benefit of the world community. However, our efforts, made with our own resources, have resulted in continued deficits in the fiscal sector. In order to reduce the deficits and to finally balance the budget, necessary actions, such as cutting unproductive expenditure, prioritizing expenditure and broadening the tax base, in order to increase revenue, have been taken. Needless to say, our efforts, if supplemented by international support, would have resulted in better and faster economic performance.

We are lucky as Myanmar is endowed with rich natural resources, with no natural disasters, and adequate skilled labour. However, without doubt, resumption of normal relations with financial institutions and the donor community is essential for Myanmar for continuation of the momentum of its rapid growth. We would say that we are on the right track to achieve our goals of attaining sustainable growth, reducing poverty effectively and resume normal relations with the international communities.

I would like to urge the Fund and the Bank, to speed up their efforts on the issue of equal voice and representation of developing countries in the decision making process of the respective institutions. I would also like to reiterate that there is still lack of continuity in the composition of the yearly Article IV Consultation mission members, which should be seriously considered and addressed as continuity would enhance understanding between both sides and thereby benefit both parties.

Finally, I would like to once again thank the people and Government of Singapore for their warm hospitality and also thank the Fund and Bank for the excellent arrangements made for the success of this year's Annual Meetings.

We look forward to having closer collaboration with both institutions and wish them all the success.

Thank you.