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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
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INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

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INTERNATIONAL MONETARY FUND

Press Release No. 13

October 22, 2007

Statement by the Hon. **HLA TUN**,
Governor of the Bank for **MYANMAR**,
at the Joint Annual Discussion

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**Mr. Chairman,
Fellow Governors
Distinguished Guests
Ladies and Gentleman**

It is indeed a great pleasure as well as a privilege for me to address these 2007 Annual Meetings, on behalf of the Myanmar Delegation. At the outset, I would like to congratulate you, Mr. Chairman, on your election to chair these prestigious meetings.

I would now like to take this opportunity, along with my colleagues, to welcome Mr. Zoellick on taking over the responsibilities as the president of the World Bank. I wish him all the best in stewarding the World Bank effectively. With his vast experience I am confident that he will be able to work for the benefit of the developing countries and look forward to working closely with him.

I would like to express our regret at Mr. Rodrigo de Rato leaving the Fund after these Meetings. At the same time, I would also like to congratulate and welcome Mr. Dominique Strauss – Kahn for being elected as Managing Director of the International Monetary Fund.

We meet here today at a time when global growth has been good. Especially, our region's developing countries are expected to maintain their growth momentum in the coming year and to be able to overcome any turmoil or disturbances that may occur. Geopolitical tensions and inflationary pressures still remain while some economies, especially the ones in our region, are repeatedly facing natural disasters. However, I am confident that the Asian economies with concentrated efforts will be able to weather these risks and challenges and continue to contribute to global growth.

I would like to take this opportunity to inform the Meeting, briefly, of Myanmar's economic performance. Since 1992-93 successive short-term plans have been formulated and implemented with emphasis placed on agriculture as a base and development of the other sectors as well. 2006-2007 is the first year of the fourth five year short - term plan, and Myanmar has been able to maintain its growth momentum. Economic growth of our country is attributable to accelerated growth in all sectors of the economy.

Inflation has remained moderate. However, it is on the rising trend due to the raise of the salaries of civil servants last year and increase in energy prices this year. FDI has been increasing yearly and we have a favourable balance of payments position in recent years.

Measures have been taken to strengthen the Central Bank's supervisory and regulatory power. Necessary instructions and guidelines have been issued in order to maintain the stability of the banking sector. At present our banking sector is strong and stable.

With regard to the fiscal front, on the revenue side, the government has continued its efforts at increasing revenue income by broadening the tax base, improving tax administration and reducing tax evasions. On the other hand, on the expenditure side, efforts have been made to prioritize spending and cut unproductive expenditures. Despite the steps taken, Myanmar's budget is still in deficit due to continuation of developing the infrastructure as well as developing the social sectors by mainly depending on its own resources.

Myanmar is making its utmost efforts to achieve the MDGs through its own national plans. The MDG indicators are good. Therefore, I am pleased to inform the meetings that Myanmar has been able to make much progress in attaining some of the MDG targets. However, there is no denying that there still remain some challenges that need to be overcome for Myanmar to be able to meet all the MDG targets by 2015.

At this point, as have been done in previous years, I would like to point out that Myanmar has been able to attain the above mentioned achievements by mainly relying on its own resources as multinational institutions have suspended their financial assistance to Myanmar for nearly two decades.

Needless to say much more would have been achieved if we have had some financial assistance from the multilateral financial institutions. Although continued efforts for maintaining our growth momentum, and achieving the MDGs in time would be taken, we do wish that normal relations with the Fund and the Bank could be resumed in the near future so that our national objectives could be achieved faster and be more robust.

In this globalized world a country should not be left alone to stand on its feet only. Much better and healthier growth, for the benefit of the region and subsequently the world, could be achieved if our efforts have been combined together with that of the international community.

We would like to give credit to where it is due. Therefore, we would like to express our gratitude to the international institutions and donors concerned for their assistance through the UN, for the prevention of avian flu in Myanmar. We would also like to thank the Bank and the Fund for their efforts to give TA to Myanmar, for the enhancement of its AML/CFT framework. We look forward to receiving TA for the AML/CFT from the institutions by 2007.

There has been absence of financial assistance from international financial institutions to Myanmar for nearly two decades. We are of the view that we have been cut off from having normal relations with them based on non-economic factors. We do not think that a member of these prestigious constitutions should be treated on a different level from that of other members. We do look forward to resuming normal relations in the near future. In the time being, we will continue to take steps to further maintain our growth momentum, and achieve the MDG targets in time, by giving priority to the development of the social sectors and also to human resource development which is essential to attain our main objectives.

Last month the 2007 IMF Article IV Consultation mission came to Myanmar on its regular yearly mission. We have always emphasized for continuity in the composition of the yearly Article IV mission members and we are very much happy to note that our request have been noted and taken seriously. We think that both sides would benefit from this practice and therefore request the Fund to continue this practice in the coming years.

I will now conclude by thanking the managements and staffs of the Bank and the Fund for the excellent arrangements made for the success of this Meeting.

Thank you.