

**Keynote Address by Vice Minister, Chief Negotiator of the Vietnamese
Government,
NGUYEN CAM TU**

**“Global Financial Crisis, Export-Led Growth and Aid for Trade:
Focus on the ASEAN Experience”**

*Regional Meeting on Aid for Trade for Asia and the Pacific
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H.E. Mr. Cham Prasidh, Senior Minister, Ministry of Commerce, Kingdom of Cambodia,

H.E. Mr. Pascal Lamy, Director General, World Trade Organization,

H.E. Mr. Haruhiko Kuroda, President, Asian Development Bank,

H.E. Mr. Nam Viyaketh, Minister of Industry and Commerce, Lao People’s Democratic Republic

Ladies and Gentlemen,

It is my honor to represent Viet Nam to attend and make presentation here today. First of all, I would like to express my sincere thanks for the hospitality and excellent arrangement made by Cambodia as the host for this Dialogue. I would also like to thank WTO and ADB for co-organizing this significant event, especially when the need to review Aid-for-Trade Initiatives is of ever urgent for developing countries to cope with the adverse effects of the current global economic downturn.

Ladies and Gentlemen,

As all of us have been aware, the most significant feature of the global economy in 2008 and early 2009 is the wide spread of financial crisis, leading to economic recession in nearly all parts of the world. Several predictions by international organizations showed that the world economy would post a negative growth in 2009, even at minus (-) 1.7 percent and the global trade volume may decrease by 9%. For the Asia region, the IMF has recently predicted that Asia's economic growth will likely slow to 1.3% this year from 5.1% last year. Excluding China and India, Asian economies will decrease 2.9% this year before they could see a growth of 1.6% next year. With such an economy depending on trade like Viet Nam (our total export-import volume accounts for 170% of our GDP, of which export volume is 70% of GDP), the global financial crisis and economic downturns have direct impacts. Our exports in the first four months of 2009 have decreased by 0.1% as compared to the same period last year.

In this inter-dependant world, addressing the current recession is not only the internal issue of any individual country but also the joint efforts of the international community. Asia economies, especially developing ones are vulnerable to the crisis and thus, need to unite best efforts, share experiences and solutions to mitigate and overcome the negative impacts of the crisis such as bankruptcies, high inflation and rising unemployment. Being the originating place for 1997 crisis, I believe experiences of ASIA countries would be very useful in this period of time.

In our view, in order to address the new challenges, ASIA economies should have policies and actions to build trust-a basic foundation for sustainable development, coordinated measures to mitigate the impacts of the recession. We should also increase the role of Asia in the global trade framework, reform the regional monetary system, build a stable and peaceful environment in the region and establish the position of one of the civilization cradles of human being.

Ladies and gentlemen,

For the part of Viet Nam, our Government has been implementing synchronous and active measures to mitigate the negative impacts of the global downturn, restore confidence for enterprises, people and curbing the recession trend. Our three major groups of solutions are promotion of production, business and market, investment stimulation and flexible monetary policies. In the short run, we have ratified and implemented a stimulus economic package worth roughly 7 billion USD for consumption and investment stimulation. We are also putting forward expansionary macroeconomic policies, including fiscal stimulus, monetary expansion, access to credit including trade financing, and measures to support private sector, particularly small and medium enterprises (SMEs) to stimulate domestic demand. We are also determined to follow the reform and integration process.

Being a developing and newly acceded Member of the WTO, we strongly support the multilateral trading system, especially the Doha Development Agenda. In our view, this is the optimal approach for trade liberalization. The current global financial crisis and economic downturn should not be the reason for going back to protectionism, which will surely hurt the economic and export growth of the world economy especially developing economies. That's why we stand firm against protectionism, refrain from introducing and raising new barriers and we welcome efforts to strengthen international regional cooperation.

As the result of our active economic policies of the Vietnamese Government, the economy of Viet Nam has experienced a certain positive signal in the first 4 months of 2009. Production of some important industrial products has an upward trend, export has been gradually strengthened and consumption price index is relatively stable and the livelihood of people has been much improved.

Ladies and gentlemen,

With respect to global coordinated efforts, we especially appreciate the trade financing initiative recently proposed since this is a very practical action for acceleration of worldwide trade flow as an engine for economic growth during the global economic downturn. We do hope that these measures and initiatives will be promptly implemented to support economies in the world, especially developing ones, to expand their trade, mitigating the impacts of the current global financial crisis.

Viet Nam also attaches great importance on the Aid-for-Trade Initiative as a tool and momentum for us to enjoy all the benefit of trade liberalization. We highly value the role of the WTO, ADB, goodwill of all donors and all the specific programs and initiatives which are being implemented by the WTO and ADB relating to Aid-for-Trade. All of these efforts, for sure, is very realistic to help accelerate international trade flow and may become the driving force for economic and trade growth. In particular, we look forward to assistance from Aid-for-Trade Initiative in terms of human resource development. We consider that in order to take full advantage of trade liberalization, human resource development is the key for success.

Ladies and gentlemen,

Although global economy in general and Viet Nam's economy in particular are facing tremendous challenges and difficulties, we are determined to follow the open policy, supporting the DDA, regional integration and other coordinated efforts like the Aid-for-Trade Initiative. We consider this is the most effective solution to the current economic recession and look forward to assistance from WTO, ADB and other organizations, economies in this process.

Thank you very much for your attention. I would like to wish the Dialogue great success and all the distinguished guests good health and happiness.