

In order to fulfill the socio-economic development tasks set for this challenging year, the Government of Vietnam has initiated major solutions, including the continued focus of effort on stronger improvement of business environment, more enhancement of investment efficiency, higher progress in external economic development, pushing up the preparation for WTO accession, and strengthening the administrative reform program. In facing with the accelerating inflation in the first months of the year due to exogenous factors, the Government of Vietnam has prioritized the task of stabilizing the macroeconomic environment in order to facilitate the sustainable growth of the economy.

I am convinced that, with the utmost determination and efforts by the Government and people of Vietnam, and the continued support from international community including the International Monetary Fund and the World Bank, our country will overcome the challenges ahead to successfully achieve the objectives set forth for 2004, therefore, creating a firm momentum for a faster and steady development in 2005, the final year in the 5- year program for 2001-2005.

Finally, I would like to wish all the delegates good health and success, and wish the 59th Annual Meetings a successful accomplishment.

CONCLUDING REMARKS BY THE CHAIRMAN OF THE EXECUTIVE BOARD
AND MANAGING DIRECTOR OF THE INTERNATIONAL MONETARY FUND

Rodrigo de Rato y Figaredo

Mr. Chairman, Governors, Honored Guests: We have come to the end of very productive discussions. I want to thank the staff for their excellent work. I am grateful to our hosts, the District of Columbia, the citizens of the city, and the U.S. Government, for their hospitality and the security arrangements they have provided. Minister Lim, thank you for your able chairmanship of today's meeting.

We all know that the global economy is having a good year. The prospects for next year remain bright, though oil prices have added significantly to downside risks. Several governors noted that the high oil prices have strained their balance of payments positions. The Fund is ready to help countries cope with this adversity. We will continue to monitor carefully developments in oil markets and their effects on our

members. IMF surveillance can and must also play a critical role in encouraging members to adopt policies that will deliver sustained growth.

We have agreed that, with the recovery well-established in most countries, monetary and fiscal policies must return to a neutral stance. Moreover, countries must take advantage of the recovery to tackle challenges to sustained growth.

There will be much greater economic security in the years ahead if members take policy actions now to confront a number of challenges. One is the need to reduce global current account imbalances which requires policy actions from many countries. As Gordon Brown said, “All share responsibility, and stand to benefit, in redressing these imbalances.”

Another challenge, as governors noted, is that of fiscal consolidation. In many emerging markets and developing countries, public debt needs to be brought back to safer levels. And many countries, industrialized and developing, have to address the fiscal pressures from the aging of their populations.

During its regular consultations with countries, and through its regional and multilateral surveillance, the Fund will continue to push for implementation of policies that would help countries surmount these challenges. I am pleased that governors have embraced transparency as a way of increasing the effectiveness of Fund surveillance. As Mr. Liikanen, the Governor for Finland, stated, IMF surveillance is a means to achieving “shared economic security.”

We are united in our desire to achieve the Millennium Development Goals and in our assessment that more aid is needed to achieve them. Many innovative schemes to increase aid, including deeper debt relief, have been floated at these meetings. These discussions are much needed and welcome. We should work towards proposals that are not only technically sound, but also command a political consensus. At the same time, developed countries should increase their aid through more traditional sources, that is by increasing their official development assistance to meet the commitments made in Monterrey.

We are agreed that a commitment to a multilateral trading system is central to sustained growth. Again, an increased political commitment is essential to bring the Doha Round to a successful close.

Increased aid and trade will undoubtedly help low-income countries. But what will help more than anything else are countries’ own efforts. I take great encouragement from governors’ statements that national ownership remains the foundation of successful poverty reduction strategies. And it is heartening to note from governors’ statements the strong performance of many countries—Bulgaria, Croatia, Turkey, Vietnam, to name just a few. I have no doubt that this strong performance—and the general resilience of the global economy—comes

from progress over the past decade in adopting responsible macroeconomic frameworks and improving institutions.

Many governors were disappointed by the lack of progress in deciding how to change quotas and voting rights of member countries to reflect the evolution of the world economy. I believe that this is an important issue and the membership should address it by continuing to seek a political consensus.

Governors: I am grateful for the good wishes and expression of support that all of you have extended to me. I look forward to reviewing progress on the matters we have discussed today at our meeting next year.

CONCLUDING REMARKS BY THE CHAIRMAN OF THE BOARDS OF
GOVERNORS AND THE GOVERNOR OF THE FUND AND THE BANK FOR
SINGAPORE

Lim Hng Kiang

My fellow Governors, we have almost come to the end of the 2004 Annual Meetings. We made very good progress this year. We addressed critical global economic issues and established an important work agenda in coming months. But before we conclude, allow me to recapitulate some of the key themes that emerged over the weekend.

First, we agreed that the global economy is set for a broad-based expansion this year. Accommodative monetary and fiscal policies have helped us to achieve this recovery. It is now time for many countries to manage the transition toward more neutral interest rate levels, which will help to ensure that inflationary pressures remain moderate. In addition, fiscal deficits—where they exist—should be consolidated during the global upswing, and it is important for countries to achieve this in the context of clear medium-term fiscal frameworks. The upcoming period of strong growth will also provide an opportunity to enact structural reforms that will make our economies more efficient, flexible, and productive. We should ensure broad ownership of these reforms, reminding ourselves that stronger growth will benefit everyone.

Second, we discussed the important effects of oil price volatility, and the risks that this can pose to the global outlook in the near term and beyond. Governors agreed that producers and consumers should endeavor to cooperate to promote stability in the oil market, including through

dialogue to increase transparency in that market. Suppliers should make efforts to meet rising demand, while many oil-importing countries may wish to find policies aimed at promoting more sustainable use of energy.

Third, we discussed the fight against global poverty and the efforts to make progress toward the Millennium Development Goals. We agreed that there are some important ways to make aid more effective. While developing countries must improve their policy environments, the more advanced countries should provide the necessary support for the developing countries, including technical advice, concessional financing assistance, and increased market access. Governors welcomed the progress in discussions on granting comprehensive debt relief to some low-income countries that commit themselves to maintaining strong policies. Governors also noted the importance of recent decisions to extend the HIPC Initiative for two more years.

Fourth, on trade, we welcomed the important progress that has been made under the Doha Development round. The greater flexibility and spirit of cooperation of all parties in these negotiations led to the agreement in July on the World Trade Organization's framework for achieving timely implementation of liberalization measures. We look forward to a successful conclusion of the Doha Round. Multilateral trade liberalization has been a key driver of growth in the last sixty years, and it will continue to be a cornerstone for promoting global prosperity.

Finally, Governors emphasized the need for the IMF and the World Bank to be adaptable and forward-looking to ensure that their support for member countries remains in step with the fast-changing global economic and financial environment.

My fellow Governors, I would like to conclude the 2004 Annual Meetings by thanking all of you for your valuable support. I commend Mr. Wolfensohn for his continued admirable stewardship of the World Bank, and I would like to welcome Mr. de Rato to his leadership position at the IMF, and thank him for the efforts he has already made to promote a listening culture at the Fund. I would also like to praise the commitment of the staffs of the two institutions for their expertise and hard work. We also extend deep appreciation to Mr. Anjaria and Mr. Oforu-Amaah; to Mr. Bernes, in his capacity as Executive Secretary to the Development Committee; and to the staff of the Joint Secretariat, particularly Ms. Patricia Davies, for their excellent arrangements for these meetings. I am also very grateful to the staff assigned to me in the Office of the Chairman. Thank you, as well, to the U.S. authorities, who have hosted this conference, and shared their warm hospitality and tireless efforts. We are also grateful to the security officials of the IMF and the World Bank, and the various law enforcement agencies that have ensured our safety at this important event. Finally, I would like to share that we in Singapore

are already working diligently to plan for the Annual Meetings in our country in 2006. We hope to be a good host for the 2006 Annual Meetings.

Fellow Governors, it has been a great honor for me to serve as Chairman of the Annual Meetings of the Board of Governors of the IMF and World Bank Group. I would like to congratulate the Finance Minister of the Democratic Republic of Congo, who succeeds me as Chairman of the Annual Meetings, and I thank him for the kind words that he has just extended to me. This concludes the 2004 Annual Meetings. I wish everyone safe travels home, and we look forward to meeting again next year in Washington, D.C.