

Opening Address

by H.E. Mr. Thongsing Thammavong, Prime Minister of the Lao PDR

At the 11th High Level Round Table Meeting

Vientiane, 19 November 2013

Distinguished Guests,

Ladies and Gentlemen,

On behalf of the Government of the Lao PDR, I would like to extend my warm welcome to all distinguished guests, especially to Mr. Haoliang Xu, UN Assistant Secretary-General, UNDP Assistant Administrator and Regional Director of Bureau for Asia and the Pacific for honoring us with his participation and for attaching great importance to this 11th High Level Round Table Meeting, being held here in Vientiane.

I would like to commend and express my sincere appreciation to UNDP as well as to all UN agencies and Development Partners for your strong support and close cooperation extended to the concerned sectors of the Lao Government in preparing for and organizing this RTM.

This High Level RTM 2013 is being convened after successful result of the 10th High Level Round Table Meeting held three years ago in October 2010. Drawing from the outcome of the previous 10th HL-RTM and key findings of the Mid-Term Review on the implementation of the 7th five-year National Socio-Economic Development Plan (NSED 2011-2015), significant progress and achievements have been recorded in various areas, which include ensuring firm political stability, durable peace and social order, attaining a steady and stable economic growth rate, continuing GDP growth rate on the average of 8.2% annually has been recorded during the past three years, as well as improving livelihood of the people. The proportion of population below poverty line has declined from 27.6% in recorded in FY 2007-2008 to 20.5% in FY 2012-2013 respectively.

In addition, the Government has deployed its utmost efforts and put an emphasis on implementing the Sam Sang Directive (Three-Builds Directive) - “building the provinces as strategic units, the districts with comprehensive strengths in all aspects, the villages as development units”. The main objective of this Directive is to delegate responsibilities to local authorities, and enhance the capacity and potentials at local level particularly those in the targeted provinces, districts and villages so as to create new paradigm for poverty eradication and improving livelihood for the rural poor at a certain level.

As for the MDGs implementation, significant progress has been made thus far and many targets are well on-track, especially on MDG3-promote gender equality and empower women; MDG6-combat HIV/AIDS, malaria and other diseases; MDG7-ensure environmental sustainability, and MDG8-develop a global partnership for development.

The achievements made is a testimony of unwavering determination, diligence, and increased sense of ownership and accountability of all Lao people coupled with the policy on promoting equal and active role of all economic sectors in the national development cause. Moreover, the aforesaid achievements are also due to the continued financial and technical supports extended to us by all friendly countries, international organizations and development partners on the whole.

On behalf of the Government and people of the Lao PDR, I would like to take this opportunity to extend my profound gratitude and sincere thanks to all development partners for the valuable support and assistance given.

Distinguished Guests,

Despite the afore-mentioned achievements, the Lao Government has continued to encounter numerous constraints and challenges amidst the emerging regional and international environments combined with specific domestic development conditions including the impact of climate change which have led to frequent occurrence of natural disasters such as floods (including flash floods) in the Northern, Middle and Southern provinces, which have caused

considerable damage to people's life and property as well as economic development and infrastructure in the affected local areas.

Besides, in the implementation of the Annual NSEDP 2012-2013, some targets have not been met according to the Plan especially the issues related to budget deficit for fiscal year 2012-2013 caused by payment of the living allowances for the whole year, coupled with an increase in the salary index and professional stipends, which have led to an increase of over 100% for salary and related allowances, whereas the usual revenue collection has increased just 20%.

On the MDGs implementation, greater efforts and resources are needed to address the challenges and off-track targets namely in MDG1–nutrition target especially addressing malnutrition among children under five years of age; MDG 2–addressing survival rate in primary school and high drop-out rate of grade 1 and 2; MDG5-maternal mortality rate remains high compared with other countries in the region; and MDG9-UXO contamination remains wide-spread throughout the country and continues to pose major threats and obstacles to the country's development and people's life.

Distinguished Guests,

To address the said challenges, the Government of the Lao PDR has continued to find appropriate ways and means by focusing on the following areas in its future direction:

- 1) Continue to enhance a steady economic growth especially to ensure macro-economic stability by maintaining the growth rate of no less than 8%. Towards this end, greater attention must be given to restructuring the economy from primitive agriculture-forestry production towards industrialization and modernization, while properly managing inflation rate to the level below economic growth rate and ensure appropriate level of increase in financial flow (M2) at an appropriate level compared to the previous year as well as ensuring sufficient foreign currency reserve for supporting import activities at least for 5 months. There is a need for continuing the exchange rate regime in accordance with market

mechanism under state's proper management, focusing on improvement of revenue collection scheme by increasing new revenue sources to reduce the budget deficit and maintain the balance of deficit at an appropriate level. In addition, it is imperative to maintain budgetary expenditures as planned and approved by the National Assembly for different periods and particular emphasis must be put on proper management of tax, custom and revenue collection, while strictly promoting disciplinary fiscal regulations and consider adopting appropriate national saving measures and nation-wide advocacy campaign to promote their implementation.

- 2) Particular attention must also be given to addressing social drawbacks thus creating a peaceful, just and civilized society. Likewise, we must focus on state and socio-economic management through strictly enforcing laws and regulations.
- 3) In addressing poverty and rural development, the Government is putting particular emphasis on creating employment opportunities and permanent jobs for all people through the expansion of production bases, providing enabling conditions for rural development with a view to steadily narrowing development gap between urban and rural areas and improving living conditions for people.
- 4) Special attention must be given to human resource development responding to need in socio-economic development, international and regional integration, particularly through improving vocational education, developing competent and skilled workforce, which can compete and contribute in the implementation of mega projects as well as to meet the demand in domestic, regional and international labor markets, while ensuring readiness for joining ASEAN Economic Community in 2015.
- 5) On environmental protection, we must continue to adopt appropriate approaches and measures to address the impact caused by natural disasters and ensure sustainable environmental protection.

Distinguished Guests,

As for future direction of the Lao PDR, I am of the view that there remain a number of issues to be discussed and implemented in a timely manner. Therefore, we call upon all parties concerned to extend their full cooperation and active contribution in fulfilling their obligations under their respective mandates

and responsibilities. To achieve these challenging goals, sufficient funding is required to support the implementation of the national priorities and plans. To achieve the set objective, sufficient financial resources are needed and the cost from now up to 2015 is estimated at \$1,220 million for investment related activities and another \$400 is required for technical and capacity building. In accelerating the MDGs implementation, additional funding of more than \$300 million per year must be ensured especially in addressing the off-track targets. Therefore, there is a need for Lao PDR to continue mobilizing support and assistance from all friendly countries, international organizations and development partners.

Distinguished Guests,

Apart from focusing on ensuring the successful implementation of the 7th NSEDP, the Government will also need to set direction for the formulation of the 8th NSEDP (2016-2020) in an effective and sufficient manner so as to map-out the way forward leading to LDC graduation by 2020. Towards this end, the Government, with active contribution of all parties concerned both within the country and internationally, is highly committed to fully realize its obligations and tasks in an accountable manner.

Once again, I would like to express our sincere thanks and appreciation to all friendly countries, international organizations and development partners for your important contribution in implementing the 7th NSEDP and attaining the MDGs.

On behalf of the Lao Government, I would like to reaffirm our strong commitment, ownership and accountability in implementing ODA projects in a transparent, effective, sustainable manner and reaching out to meet people's need.

In the spirit of long-lasting friendship and good cooperation between the Lao PDR and all friendly countries, international organizations and development partners, I believe that this Round Table Meeting will be conducted in a constructive atmosphere and achieve a successful outcome.

May I take this opportunity to wish Mr. Haoliang Xu, all distinguished participants, Ladies and Gentlemen a very good health and prosperity.

I now declare the Meeting officially opened. Thank You.