

INTERVENTION

BY H.E. MR. NGUYEN TAN DUNG,
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ON “MORE EFFECTIVE GLOBAL ECONOMIC GOVERNANCE”

Mr. Chairman,

Ladies and gentlemen,

The ASEM 8 Summit is taking place at a time when the world economy is witnessing some encouraging signs unseen two years ago. It could be said that the toughest period of the crisis has passed and the world economy is gradually recovering. In Asia, a number of economies have achieved growth rates between 8% to 10%, thus leading the course of global economic recovery. In the mean time, the course of integration in Europe is being strengthened. However, we are still faced with tremendous challenges, namely uneven recovery, large budget deficits coupled with increasing public debts, unstable financial markets, high rates of unemployment and serious global imbalances.

As we know well, the recent economic and financial crisis has exposed the defects in the global financial system and economic governance. Therefore, addressing them is of utmost urgency. Significant improvement in global economic governance has been noticed thanks to the close coordination and determined actions of the international community, particularly the G-20 and such organisations and forums as ASEAN and ASEM.

We support the continued strong reform of the global economic governance for greater fairness, democracy and efficiency. A new regime of governance should take into account the far-reaching changes of the past decade, especially when developing and emerging economies have made a significant stride on the path of development with their increasing share of global GDP and income. These countries have sufficient resources to assume greater responsibilities in global economic governance role and can demand a more deserving position in this regime. We also support a closer coordination among ASEM members and a greater role of ASEM in global economic governance.

With that in mind, I would like to suggest as follows:

First, ASEM members should work closely together to incorporate “growth-friendly” fiscal consolidation plans into economic and financial policy making. As such, their application should be differential and flexible, taking into account national circumstances to ensure the momentum for recovery and for strong, sustainable, balanced and inclusive growth as well as for the well-functioning of the financial system.

Second, with its 12 members in the G20 and its share of over 60% of the world population and 55% of global GDP, ASEM members should enhance coordination to improve the effectiveness of G20, which is now on the right track and producing tangible results.

Third, we should continue to encourage regional organizations to take responsible actions, increase their coordination and contribute more to global governance.

Fourth, we should also support and encourage the reform of the International Monetary Fund and the World Bank in such a way that increases the voting power of developing countries and economies in transition. It is essential for developing and emerging economies to have a greater role and voice in the efforts to restructure the global economy and reform the international financial institutions.

Thank you for your attention.