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**WORLD BANK GROUP**

World Bank Governor's Statement No. 7

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Statement by the Hon. **HONG THI NGUYEN**,  
Governor of the IBRD for **VIETNAM**

**Statement by the Hon. Hong Thi Nguyen,**  
Governor of the IBRD for Vietnam

*Ladies and Gentlemen,*

First of all, I would like to share with the losses that the Moroccan people have suffered due to the 6.8 magnitude earthquake that occurred on September 8, 2023. I would like to express my condolences to the families of the victims who passed away in the earthquake. We are always by Morocco's side through this difficult period.

*Ladies and Gentlemen,*

Three fourths of 2023 have passed by with risks and uncertainties threatening the development achievements that the world took decades to achieve. Economic growth has declined and global inflation has increased, affecting the income of people in many countries, potentially pushing billions of people into poverty and making social inequality more serious. Sharp increase in global interest rates has put more debt burden, especially on developing and low-income countries, narrowing fiscal space and affecting the implementation of sustainable development goals. Geopolitical tensions have resulted in the increasing risk of fragmentation, negatively affecting the global integration process and international trade flows. Climate change accompanied by natural disasters and extreme weather events have been becoming increasingly difficult to predict.

Crises upon crises in the past years require coordinated solutions nationally and globally to improve resilience and prevent the risk of future crises as well as mitigate the impact if a crisis materializes. Climate change and global challenges emphasize the importance of implementing structural reforms and transforming the growth model towards inclusiveness, green and sustainability, including evolving application of technology, promoting digital transformation. In this process, coordination and cooperation between countries and international organizations are indispensable conditions to ensure successes in doing efforts towards common goals. On that basis, Viet Nam welcomes the themes of this year's Annual Meeting of "Building Economic Resilience, Securing Transformational Reforms, and Reinvigorating Global Cooperation."

*Ladies and Gentlemen,*

In the context of global economic uncertainty, Viet Nam's Government has continued to proactively, synchronously and flexibly manage monetary, fiscal and other macroeconomic policies to stabilize the macro-economy, control inflation, and remove difficulties for people and businesses. Thanks to those efforts, major balances have been guaranteed, economic growth has followed the increasing trend quarter by quarter, and inflation has been controlled. In Q3, 2023, GDP growth was estimated to reach 5.33% year-on-year, higher than the growth rate of 3.28% in Q1 and 4.05% in Q2. Overall, in the first 9 months of 2023, GDP growth is estimated to reach 4.24%, CPI increased by 3.16% year-on-year, average core inflation increased by 4.49%.

As one of the countries mostly affected by climate change, Viet Nam has taken strong actions to join with efforts of the international community. To fulfill the commitment of net zero emissions by 2050, the Government has issued the National Strategy on Green

Growth for the period 2021 - 2030 and the Project on tasks and solutions to implement the results of the COP 26 Conference. In implementing the Government's Strategy and Project, the SBV has introduced Action Plan on green growth in the banking industry for 2021-2025 period, which emphasizes the importance of raising awareness, role and capacity of the banking industry in granting credit to green industries/fields, managing environmental and social risks in credit provision to high-emitting industries and fields.

Identifying digital transformation as one of the major policies to improve productivity, contributing to transforming the growth model, The Government has issued the National Digital Transformation Program and has achieved positive outcomes in the implementation of the Program. In the first 6 months of 2023, contribution of digital economy made up 14.96% in GDP growth, up from 14.26% in 2022 and 11.91% in 2021. It is estimated that for the period 2022-2026, the average digital economic growth rate will be around 8.9%. To proactively participate in the digital transformation process, the SBV has issued a Banking Industry Digital Transformation Plan to 2025, with a vision to 2030 with solutions such as issuing documents to guide providing banking service in electronic devices. Currently, 77.41% of adults have had bank accounts; basic banking services such as deposits and payments have been mostly delivered through digital channels.

As an economy with a large openness, however, Viet Nam continues to suffer from various impacts, resulting in below expected economic growth, declining trade, while inflationary pressures remains exist. Besides, climate change accompanied by extreme weather events remains a permanent threat to the lives and production of people and businesses, especially those in mountainous and coastal areas. In that context, Viet Nam continues to steadfastly stabilize the macroeconomy, control inflation, promote economic growth, especially creating new growth drivers from public investment, promoting green growth, digital transformation.... Viet Nam's positions in development strategy in the coming period are: (i) inclusive, rapid and sustainable development based mainly on science, technology and innovation; (ii) putting people at the center, the subject, the main resource and the goal of development; (iii) building an independent and self-reliant economy associated with proactive integration, market diversification, and improvement of economic resilience.

*Ladies and Gentlemen,*

The more difficult it is, the more we need to unite and join hands to overcome challenges, towards a future of green, sustainability and equality for all. In a world of uncertainty, Viet Nam calls for increased cooperation, information and experience sharing, coordination of monetary, fiscal and financial sector policies, thus forming coordinated actions in responding to common challenges. Viet Nam supports efforts to consolidate resources of the IMF to improve its ability to support members, especially developing and low-income ones, in addressing crises and unexpected events. Viet Nam hopes that relevant parties will reach a balanced agreement with interest harmonization during the 16<sup>th</sup> quota review.

Viet Nam welcomes efforts to implement the Integrated Policy Framework (IPF) and review, strengthen the IMF's lending toolkits. We demand that the IMF has a flexible approach, taking into account country-specifics in the process of financial support, policy advices and recommendations according to relevant frameworks. Viet Nam also supports the WB's efforts in reforming its operating mechanism, including redefining vision and tasks, strengthening lending and operational capacity, and strengthening coordination

with other countries in identifying common problems and challenges, towards a world without poverty.

We have achieved strong commitments in responding to climate change at the COP 26 and COP 27 Conferences. Viet Nam calls for continued practical actions to implement the commitments in efforts to make the Earth green again. Viet Nam calls on international organizations, bilateral and multilateral donors to have a flexible approach, taking into account country-specifics in the making of policies and action programs to respond to climate change as well as other issues affecting people's development and livelihoods.

We are living in the industry 4.0 era in which technology has been developing rapidly and bringing about positive impacts. Viet Nam calls for increased international cooperation in formulating a framework to on the one hand promote technology development and innovation, directing technology to serve sustainable, green, inclusive development goals, on the other hand, ensure data privacy, effectively prevent and contain risks and the downside of technology. Viet Nam highly appreciates the role and efforts of international organizations such as the IMF, the WB, the BIS in this field. As a country with young population and rapid technology application pace, Viet Nam hopes to receive support from international organizations in making and implementing policies to promote technology and innovation.

As a responsible member of the international community, Viet Nam commits to join its hands and contribute to common efforts to overcome challenges, promote sustainable development, and responsibly develop technology for a future of green, sustainability, and equality.

I wish the Meeting a grand success. Thank you!