



Mr Somsavat Lengsavat (front row, centre), Mr Naoyuki Shinohara (front row, third left) and senior officials pose for a group photo.

Top IFM official outlines conditions for Laos' economic growth

Times Reporters

Deputy Managing Director of the International Monetary Fund (IMF), Mr Naoyuki Shinohara, has highlighted the conditions that Laos needs to work towards to ensure robust economic growth.

Mr Shinohara made a statement yesterday at the conclusion of his visit to Laos this week, following meetings with many important government cabinet members.

He said strong credit growth and low international reserves have emerged as sources of vulnerability.

To safeguard macroeconomic and financial stability, Mr Shinohara said actions are needed to expand the fiscal space, especially by increasing revenues, while maintaining fiscal sustainability; bring credit growth down to a healthier level and safeguard international reserves; build a well-supervised and sound financial system; and promote private sector-led economic growth to enhance competitiveness in the non-resource sector.

Mr Shinohara met with

Deputy Prime Minister Somsavat Lengsavat, who is in charge of economic affairs, Vice President of the National Assembly Dr Xaysomphone Phomvihane, Minister of Finance Phouphet Khamphounvong, Minister of Planning and Investment Somdy Duangdy, and Governor of the Bank of the Lao PDR Somphao Phaysith.

"In my meetings with the government, I commended them for their work in creating conditions for robust economic growth and for acceding successfully to membership in the World Trade Organisation (WTO)," Mr Shinohara was quoted as saying in the statement.

Laos will become a full member of the WTO on February 2.

He said the progress made by the Lao government towards achieving the Millennium Development Goals is also laudable, particularly on poverty reduction and rural development.

"Our discussions focused on how to broaden and sustain this growth, ensure macroeconomic and financial stability, and take full advantage of regional and global integration," he said.

He said that the near-term economic prospects for Laos remain favourable. The Lao economy has shown much resiliency during these turbulent times and has great potential in the years ahead, he added.

Mr Shinohara pledged that the IMF will continue to work closely with the authorities to provide high-quality policy advice to enhance stability and growth. The recent opening of the Technical Assistance Office for Laos and the Republic of the Union of Myanmar in Bangkok also enhances the possibilities for further deepening of cooperation in important areas of capacity building.

During his stay in Vientiane, Mr Shinohara also participated in a roundtable discussion, co-organised with the National Economic Research Institute and the Faculty of Economics and Business Management of the National University of Laos.

At the discussion, he shared views with leaders of the National Assembly and academics on recent developments in the Lao economy, as well as regional and global trends.