

## **Leaders discuss GMS progress**

Leaders from the Greater Mekong Subregion (GMS) are meeting in Vientiane at the Third GMS Summit to discuss challenges, progress and future directions for GMS cooperation.

In attendance were the prime ministers of the six GMS countries - Samdech Hun Sen of Cambodia, Mr Wen Jiabao of China, Mr Bouasone Bouphavanh of Laos, General Thein Sein of Myanmar, Mr Samak Sundaravej of Thailand and Mr Nguyen Tan Dung of Vietnam and Asian Development Bank President Mr Haruhiko Kuroda.

Several events were held on Sunday as part of the summit including a Business and Investment Dialogue, Youth Forum, the opening ceremony of the GMS photo exhibition and the signing of an agreement for the inclusion of the Nanning-Hanoi corridor and Youyiguan-Huu Nghi Border Crossing Point in the scope of the GMS Cross Border Transport Agreement between China and Vietnam.

Leaders will meet today to discuss cooperation under the theme 'enhancing competitiveness through greater connectivity', as well as how to speed up economic integration in the subregion.

The summit is aimed at enhancing economic cooperation and integration efforts among member countries, to better meet development challenges, and achieve a harmonised and prosperous subregion.

Minister of Commerce and Industry Dr Nam Vinhaket said during the Business and Investment Dialogue, attended by entrepreneurs from both inside and outside the GMS, that the subregion covered an area of enormous wealth and natural resources.

He added that despite the numerous resources and significant economic progress in recent years, poverty is still widespread in the region.

"Millions of people are living below the poverty line," Dr Nam said.

Major challenges include reducing income disparities between urban and rural areas and the growing income gap between rich and poor.

Dr Nam said it is necessary to strengthen education and promote gender equality and empower women and ensure a balance between economic growth, socio-cultural development and environmental preservation. Strengthening private sector development and promoting small and medium enterprises is also an important driving force in generating jobs, accelerating economic growth, and reducing poverty.

"The solutions to the challenges mentioned above are not going to be met by governments alone. The solutions must come from both public and private sectors working closely together," he said.

"Our common goal is to turn the Greater Mekong Subregion into a competitive and prosperous region."

Minister of Planning and Investment Soulivong Daravong said at the Business and Investment Dialogue that economic cooperation in the subregion has achieved substantial results over the past 15 years in several areas including transport, trade, tourism, energy, telecommunications and private investment.

“These achievements are of particular importance, especially within the context of rapid globalisation and regional integration that require competitiveness and imply profound transformation in our respective economies,” he said.

Economic cooperation in the region has significantly contributed to the boost in development, high economic growth and reduction of poverty.

The private sector has been at the forefront of the integration process. If the sector works cooperatively on supply, markets and with government the process of regional cooperation and integration will occur more quickly.

Therefore, said Mr Soulivong, it is crucial for GMS governments and partners to take every opportunity to further strengthen this cooperation with thorough implementation of policies, programmes and projects.

These activities should be undertaken and implemented in a harmonised, coherent and coordinated way so that they follow the same direction and seek the same outcomes.

“We believe the Business and Investment Dialogue offers an important mechanism to facilitate the coordination and harmony of subregional policies and programmes,” said Mr Soulivong.

Private sector development is also crucial, especially in transition economies, to diversify economic activities, foster growth, create export opportunities, generate jobs and reduce poverty.

GMS governments have introduced and enacted a number of laws to improve legal and regulatory frameworks to attract investment into the region. Moreover, governments are pursuing sound macroeconomic management including fiscal and monetary policies, and improving investment incentives to encourage domestic entrepreneurs and attract foreign direct investment.

“We are still facing many difficulties in implementing our development policies in general and the measures to encourage trade and investment,” Mr Soulivong said.

“Our domestic market is quite limited and the purchasing power of our citizens, though improving continuously, is still modest. A number of domestic private enterprises are encountering numerous difficulties such as limited human and financial resources, and lack of technology and market information.”

The Plan of Action for GMS Development 2008-12 will be endorsed by the GMS leaders today, he added.