

VN becomes founding member of multilateral investment bank

BEIJING — State Bank of Viet Nam Governor Nguyen Van Binh was among delegates from 50 countries who signed the articles of agreement to form China-backed Asian Infrastructure Investment Bank (AIIB).

The signing ceremony was held in Beijing on June 29.



While seven other prospective founding members were reportedly waiting for domestic approvals, multilateral lender AIIB, with a charter capital of US\$100 billion, is set to be headquartered in Beijing.

Expected to start functioning by the end of this year, the bank will aim to foster sustainable development through regional infrastructure investments, which will focus on traffic, energy, and telecommunications, alongside agriculture, environment, and urban development.

Binh who was authorised by Vietnamese President Truong Tan Sang said that taking part in the founding of the AIIB was in line with Viet Nam's national direction for active and responsible integration into the global economy.

"This shows Viet Nam's expectation of building a more advantageous environment for comprehensive cooperation with China in the fields of economy, trade, and investment," he noted.

He emphasised that Viet Nam's demand for infrastructure development will increase from now and will become enormous by 2020, and hence, it is necessary to mobilise more international capital sources.

The World Bank and Asian Development Bank have been providing significant assistance to Viet Nam in this area, but, in accordance with their regulations, the country will receive less and less preferential capital in the future as it has become an average-income nation.

"Joining the AIIB as a shareholder, we will have an important source [of capital] to supplement our infrastructure investments," he observed.

According to international media reports, China will hold a 30.34 per cent stake, making it the largest shareholder of the AIIB, followed by India, with a possible stake of 10-15 per cent.

Russia and Germany will make the third and fourth largest member stakes. The United Kingdom, Australia, and South Korea are also among the founding members of AIIB.

Binh remarked that Viet Nam will have the rights to take part in the process of building operational policies for the AIIB, as well as consider chances to assume management positions in the bank. Greater national efforts are needed to promote the role of the country in the face of increasing integration requirements, he added.

Chinese President Xi Jinping had presented the initiative to establish the AIIB at the Asia-Pacific

