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INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

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Statement by the Hon. **VIRACHAI VIRAMETEEKUL**,
Governor of the Bank for **THAILAND**,
at the Joint Annual Discussion

**Statement by the Hon. Dr. Virachai Virameteekul,
Governor of the Bank for Thailand,
at the Joint Annual Discussion**

**Mr. Chairman, President Wolfensohn,
Managing Director De Rato,
Fellow Governors, Distinguished Delegates,
Ladies and Gentlemen,**

On behalf of the government of Thailand, let me first join others in thanking the World Bank, the IMF and the United States' authorities for their warm hospitality and the perfectly organized Meeting of the Board of Governors. I also would like to welcome Mr. Rodrigo de Rato y Figaredo as the new Managing Director and is looking forward to work with his new leadership in increasing the voices of developing countries as well as improving the governance system.

Mr. Chairman,

The faces of the world have changed dramatically since the meeting in Dubai. Global prospect is now challenged by the rising energy prices and interest rates as well as threats of terrorism. As always, these challenges would be overcome if we work together as one people, each doing its own part. There are still exciting times ahead.

Mr. Chairman,

Thailand is on the move, with all major agencies upgrading our sovereign rating. The World Economic Forum places Thailand among the top ten from more than 100 countries in the macroeconomic stability index.

The state of our economy is strong, and strong in every indicator. Our growth rate is recorded at 6.8 percent in 2003, and is expected to continue into 2004. Inflation remains within target. Foreign reserves have risen to 43 billion US\$. The Thai Baht is stable, and becoming a trade currency in our prospering neighbors.

Things have improved so much that we now have a balanced budget for the first time in contemporary history. This is a balanced budget that does not lose sight of its balance. A balance between fiscal consolidation and our values towards building a better future for all.

The policy blueprint for the next five years is now clearly laid out in the Economic and Social Sustainability Framework. This Framework entails, for example, an annual GDP growth over 6% and unemployment below 2%, keeps foreign reserves at least 3.5 times short-term foreign debt, maintains a balanced budget and reduces public debt to 35% of GDP.

Mr. Chairman,

Thailand welcomes the recent outcome in the WTO, where progress is made on agriculture, the main source of income for the poor. The richest countries need to be reminded that only fair trade can provide a sustainable exit from poverty.

So there are to be new responsibilities for the richest countries to stop trade-distorting export subsidies, and to stop them completely under an agreed-upon timeframe. There should be no turning back.

Thailand appreciates the UN plan to raise an additional 50 billion US\$ a year for development aid. However, we need to do more if we are to succeed in our fight against global hunger. It is disappointing to note that the Millennium Development Goals of halving world poverty by 2015 would not be achieved. This is the one time we should do more than giving a statement.

The world should not come together to make this promise of historic significance, and then to break it. What we are going to do with it will test the character of our generations. This is the ultimate challenge of our time.

On our part, Thailand has been active in regional development through various activities under the Greater Mekong Sub-region (GMS) framework as well as the framework of Economic Cooperation Strategy (ECS). Such cooperation is expected not only to bring

millions out of poverty but also facilitate deeper economic integration within the region. The establishment of an ADB resident mission in Bangkok confirms the increasing role of Thailand in the region.

Mr. Chairman,

On this note, Thailand would like to express our support for the Bank proposal in trying to increase the voices of the developing countries and urge the Bank to step up its efforts while taking into consideration the limited resources of developing countries.

On the Fund matters, Thailand joins other developing and emerging market countries in the urge for concrete reforms in the way the Fund is being governed. The Fund needs to ensure its commitment to increase the voice and participation of developing countries by expediting the 13th quota review. In accordance with a more transparent governance structure, the Fund needs also to institutionalize the selection process of the Managing Director. This is the only way to go forward in the world, where freedom is on the march and democracy is flourishing.

Mr. Chairman,

In conclusion, Thailand recognizes the importance of the Bank and the Fund work. Let us show that world economic growth is not an end in itself. Let us use our material prosperity, abundant more than ever, to build a foundation where the strong are just and the less strong are fairly treated. Let us join hands to write the next chapter of our future. Together. As One.

Thank you.