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Statement by the Hon. **SOMMAI PHASEE**,
Governor of the Bank for **THAILAND**

Statement by the Hon. H.E. Sommai Phasee,
Governor of the Bank for Thailand

Introduction

It is my honor to update Thailand development and relationship with the World Bank Group and the International Monetary Fund. I would like to express my gratitude to the World Bank Group, and the International Monetary Fund for a very warm welcome and excellent arrangement of the meetings.

Global Economy

Although the world economy is recovering, it is still facing the challenging risks from geo-political conflicts and unsynchronized monetary policies, which not only dampen growth prospect but also create volatilities in financial markets. Therefore, it is time, especially for emerging countries, to undertake necessary reforms to strengthen our economies.

The Thai Economy

The Thai economy is on track to sustainable growth. After regaining political stability, the economy shows clearer positive signs in the second half of 2014. To maintain this momentum, the Government announced an Economic Stimulus Measures on 1 October 2014, to translate growing businesses and consumer confidence into real economic recovery, focusing on accelerating public spending, bringing forward additional resources from loan programs and central funds to finance small infrastructure projects, and expediting Board of Investment (BOI) approvals of investment projects by private sector.

The current Government has also outlined comprehensive plans to reform the economy with the aim to enhance efficiency, lessen inequality, and promote greater transparency and good governance.

Regional Economic and Financial Cooperation

ASEAN

As the ASEAN Economic Community will be realised by the end of 2015, in order to further expedite the benefits of the integration, Thailand and other ASEAN members have committed to deepen our cooperation by moving beyond physical connectivity to, among others, eliminate logistic bottlenecks to increase goods in transit in the region and link up ASEAN capital markets to build ASEAN as an asset class.

On the sub-regional front, Neighboring Countries Economic Development Cooperation Agency (NEDA) has been working closely with the neighboring countries to improve physical connectivity covering roads, railways and other basic infrastructures. We have also fully committed in the development of Dawei Special Economic Zone and

Deep Sea Port on the western coastline of Myanmar that will become a new gateway linking the Indian Ocean with the Pacific and, at the same time, stimulating economic and trade activities among Greater Mekong Sub-region countries, particularly on the East-West and the Southern Corridors.

ASEAN PLUS THREE

Thailand has been working closely with other ASEAN+3 countries to further promote regional financial stability. The enhancement of the Chiang Mai Initiative Multilateralisation (CMIM), a regional financial safety net arrangement, by doubling the fund size to 240 billion US dollars and introducing crisis prevention facility to help alleviate potential difficulties, which was entered into force on 17 July 2014, is one of the fine examples. Thailand also fully supports the upgrade of the ASEAN+3 Macroeconomic Research Office (AMRO) to an international body with a view to further facilitate the operation of CMIM and reinforce the economic monitoring and surveillance in ASEAN+3 region.

The World Bank Group

Thailand has played a large role in the Bank's activities. Recognizing the Bank's Twin Goals, we are actively working with other countries to develop post-2015 Millennium Development Goals that will be more attainable and measurable. We welcome the Global Monitoring Report 2014 as it will help prioritize what the Bank needs to do and channel the budget more efficiently. We also appreciate the effort to publish the report of macroeconomic developments in low-income developing countries and to create the Country Partnership Framework (CPF) as it will help identify the real issues and better satisfy unique needs of each country.

Regionally, in addition to provide knowledge sharing and direct assistance to the developing countries, we are pleased to become a contributor in International Development Association (IDA) in 17th IDA replenishment (IDA17) that aims to assist developing countries through their development process.

International Monetary Fund

As Thailand fully supports the efforts to strengthen its surveillance mechanisms, based on the Fund's cross-country expertise, we view that risk and spillovers should continue to be the main themes for policy analysis and recommendations. In this connection, we welcome the outcome of the 2014 Triennial Surveillance Review (TSR) and its operational priorities as we see these as a further step for the Fund to adapt and stay relevant to the rapidly changing global landscapes and able to tackle emerging threats to the international monetary stability.

To further complement the surveillance role, we urge the Fund to continue to enhance and tailor its technical collaborations with member countries. The new technical

and policy advice relating to structural reforms will help strengthen member countries' capacity to be better prepared for the future crises.

Due to the fact that the already-delayed 2010 Reform Package would support permanent financial resources for the Fund to continue its roles as the lender of last resort, Thailand is pleased to reaffirm our commitment in supporting such reform. We are looking forward to seeing a good progress of the reform and would like to see the Fund continue as a quota-based institution.

Finally, we would like to sincerely express our appreciation to the Boards of Governors, Management, and staff of the World Bank Group and the International Monetary Fund for their continued support and fruitful co-operations. We wish them success in their tasks in promoting global economic stability and eradicating poverty.

Thank you.