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Statement by the Hon. **WISUDHI SRISUPHAN**,
Governor of the Bank for **THAILAND**

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Governor of the Bank for Thailand**

Mr. Chairman, Distinguished Governors, Ladies and Gentlemen

Introduction

It is my great pleasure to represent Thailand at the 2015 Annual Meetings of the Boards of the Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF). I would like to express my gratitude to the Government of the Republic of Peru for a warm welcome and excellent arrangement of the meetings. I would also like to take this opportunity to give you an update on our key developments and cooperation with the WBG and the IMF.

Global Economy and Thai Economy

Global growth remains moderate and uneven. While advanced economies experienced a gradual pickup in growth, emerging markets faced a slowdown with challenges from slower growth in China, lower commodity prices and capital market volatility.

To address such challenges, Thailand and other emerging economies must strengthen domestic economy. In the case of Thailand, we have a two-fold approach. Firstly, we reinforce sectors that are affected by lower commodity prices and global slowdown. Particularly, the Cabinet has recently approved packages in supporting farmers and low-income earners as well as small and medium enterprises (SMEs). We also plan to expedite budget disbursement for public investment throughout the country in order to boost employment and sustain local economic development. These measures will not only improve the well-being of farmers, low income earners and SMEs, but it will also endure the economic growth in the short run.

Secondly, we continue to improve our competitiveness. In particular, the World Bank Group's Doing Business Report is an international benchmarks which serve us as reference against our peers in order to improve the business environment in Thailand. As such, the Cabinet has passed tax and non-tax incentives to attract investments that will be our "new growth engine", which aims to elevate Thailand out of the Middle Income Trap. We also plan to upgrade logistical infrastructure such as railway, roads and water transportation network, including motorway and aviation transportation in order to reduce logistical cost and improve national and regional connectivity. As for Ministry of Finance, apart from our role in financing the said infrastructure investment, we aim to revamp the payment system in Thailand by introducing electronic payments which will lead to lower business transaction cost, improve transparency and promote good governance.

In the short run, I firmly believe with these measures in place, growth will be sustained and the affected sectors will be fostered. In the long run, the country's competitiveness and growth will be enhanced.

The World Bank Group

I welcome the paper on The World Bank Group Support for the 2030 Agenda for Sustainable Development. I believe that the Bank's priorities in resolving insufficient infrastructure, climate change, inefficient data sources and fragile and conflict-affected situations are critical steps in alleviating potential causes of future economic and social challenges. I therefore look forward to an elevated role of the Bank in its financing capacity to effectively deliver these goals. Apart from financing, the role of knowledge in intensifying the development is also important. I am pleased to learn that the Bank's global practices and cross-cutting solution areas have played a significant role in the Bank's operations in an attempt to deepen development impacts of the Bank's programs. With the implementation of the new operational model, I hope that these mechanisms will help to reduce global development gaps especially in low-income countries in a more proactive manner.

I also welcome another Bank's flagship publication on the Global Monitoring Report 2015/2016. The report not only highlights global progress in fighting poverty and promoting shared prosperity across regions but also identifies the remaining key challenges under the Millennium Development Goals (MDGs). Demographic change due to increasing aging population is an important factor, among others, that impacts global growth trajectory going forward which will undermine development under the new post-2015 global agenda of Sustainable Development Goals (SDGs). Hence I believe the World Bank's comprehensive approach, especially at country-level engagement, will greatly contribute to individual countries with different economic and social context in achieving its goals of reducing poverty and enhancing fair shares of growth.

I am also delighted to learn that the shareholding review process is underway. Given the ambitious targets set under the SDGs, Multilateral Development Banks (MDBs), including the World Bank Group, have to explore available options to strengthen their financing capacity to meet the new development agenda. While I understand that bolstering of capital base is inevitable in the long-run, I urge the Bank to strengthen its utilization of capital in a more effective and secured manner. This will help the Bank to leverage its financial resources to maximize development results.

As Thailand has a long relationship and close cooperation with the WBG, I am pleased to note that the Bank has strengthened its engagement with member countries to ensure the twin goals of reducing poverty and promoting shared prosperity are achieved. Thailand is currently in close collaboration with the WBG on the preparation of Systematic Country Diagnostic (SCD), which will help identify Thailand's current challenges and opportunities in reducing poverty and enhancing inclusiveness. I look forward to the outcome of the process and its contribution to the Country Partnership Framework (CPF) which will be prepared subsequently based on the results of this evidence-based diagnostics. I hope that the Bank's new engagement approach, concurrent with our national development strategies, will help to escalate development impact in Thailand.

International Monetary Fund

Against the backdrop of global financial volatility especially the risks of emerging markets from capital reflows, I encourage the IMF to deepen its close monitoring of current global financial development especially the impact from a foreseeable policy normalization in the US. Some emerging markets with high foreign exposures have been severely affected by global financial uncertainty. In the context of the Fund's mandate to preserve the stability of the international financial system, Thailand is supportive of the Fund's continued efforts to sharpen its economic analysis and policy advices, and to further improve upon its early warning systems. The Fund's extended mandate on multilateral surveillance has also enabled the assessment of macro-financial linkages and systemic issues in a comprehensive and holistic manner. I believe this will help ensure that the Fund's assessment of members' macroeconomic policies remain relevant and robust in today's rapidly changing economic and financial landscapes.

Meanwhile, in the context of uplifting growth potential and fostering growth inclusiveness, I recommend that the Fund continues to tailor its analysis and policy advices to the specific needs of its member countries. The Fund's work on structural reforms and other key policy areas remains an important supplement to the authorities' own calibration to strengthen national policy framework and guidance at the macro level. In this regard, I highly welcome the Fund's engagement and collaboration with national authorities to provide high quality technical assistance (TA) programs to its members. On this front, the Thai authorities remain committed to work closely with the Fund's TA office in Bangkok to deliver technical support and capacity building program to our country's neighbors.

To this end, I recognize the importance of augmenting the Fund's permanent resources to supplant its firefighting capabilities as part of the global financial safety net. With this goal, Thailand remains committed to provide financial contributions through bilateral and multilateral borrowing arrangements that will enable the Fund to fulfill its responsibilities in both crisis prevention and resolution. As such, I would like to reiterate the importance of upholding the spirit of international cooperation in bringing about the completion of the delayed 2010 quota and governance reform in order to better reflect the growing importance of Emerging Market Economies (EMEs), and avoid further undermining of the Fund's legitimacy and credibility as a quota-based institution.

Finally, I 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. I wish them success in their tasks in promoting global economic stability and eradicating poverty. I would like to also express congratulations to Indonesia for becoming the host of the International Monetary Fund/World Bank Annual Meetings in 2018.

Thank you.