

GS-10**THAILAND****Kittiratt Na-Ranong, Governor**

On behalf of the Government of Thailand, I would like to extend our sincere gratitude to the Government of Kazakhstan, the people of Astana, and the Asian Development Bank (ADB) for their great hospitality and excellent organization of the 47th Annual Meeting of the Board of Governors of the ADB.

In this statement, we would like to share some views on the global and Thai economy, our current preparation for the upcoming ASEAN Economic Community (AEC), the recent Country Partnership Strategy between Thailand and the ADB, and the issue of enhancing the ADB's lending capacity.

The global economy in the past few years has weathered a series of turbulences. Amidst the slowdown in the developed world, it was the developing economies that acted as the main growth engine for the global economy when the main engine, notably G-3 economy, was not fully functioning.

This time, the recovery in the G-3 economy seems solid, while the growth in the developing economies softens. Thailand's economic growth is also among this trend. Nevertheless, the economic stability of the Asian developing economies is still vigorous. Thailand, for example, is amongst a few countries which have the lowest unemployment rates in the world. Our inflation rates are well contained within the range of the inflation targeting framework. The international reserves stood at more than 168 billion USD, approximately 2.8 times of short term external debt.

With strong economic fundamentals and ideal geographical location, Thailand is ready to foster regional economic development as a centre of the Greater Mekong Subregion (GMS). For almost a decade, our Neighbouring Countries Economic Development Cooperation Agency (NEDA) has played an important role as an efficient bilateral mechanism to extend Thailand's aid for economic development to the GMS countries. Following its vision to serve as a partner in providing economic development cooperation, NEDA has already provided financial and technical assistance for numerous infrastructure development projects in the GMS and has recently expanded its coverage to other Asian developing countries outside GMS in order to strengthen its role in this region.

On the regional front, Thailand has actively participated in multi-layered regional economic cooperation frameworks. As a founding member of ASEAN, we have played an important role in fostering various activities aiming to achieve the AEC by 2015. Going beyond, as the 2015 target is not the definite conclusion of activities to realise the AEC, there is still a need to further expand and deepen market integration within ASEAN. The AEC Post-2015 Vision, thus, has been being discussed to enhance ASEAN economic integration for the next ten years.

In addition, Thailand has reaffirmed our support, under the ASEAN+3 Framework, to further enhance financial cooperation, especially in strengthening the effectiveness of the regional liquidity support mechanism under the Chiang Mai Initiative Multilateralisation (CMIM) and developing regional surveillance capacity of the ASEAN+3 Macroeconomic Research Office (AMRO) with an aim to promote regional financial stability and prevent future financial crisis.

The relationship between Thailand and the ADB has been elevated to a new stage since the 2nd Country Partnership Strategy (CPS) covering the year 2013 – 2016 was established in the last quarter of 2013. The Strategy provides a flexible framework by blending the ADB's sovereign and nonsovereign supports to Thailand. Based on the three strategic pillars of Knowledge and Innovation, Private Sector Development, and Regional Cooperation and Integration (RCI), the 2nd CPS is designed for the Bank to draw upon its extensive knowledge and experience in Asia and the Pacific to provide policy advice and capacity development. It also lays a path for the ADB to mobilize and syndicate financial resources for innovative private sector investments and to continue to be a lead agency for RCI. As a long-standing partner, we can clearly see from this CPS that the Bank's role in supporting Thailand has more than ever been adjusted to better complement the country's priorities and needs.

Lastly, we would like to share some thoughts on the issue of enhancing the ADB's lending capacity. Having been informed that in the near future the Bank's capacity to lend will be significantly lower than originally estimated as a result of low global interest rate, we concur with the suggestion to increase the ADB's sustainable level of lending (SLL) as soon as possible. Like other several developing member countries, we agree that the ADB should try to increase savings from containing administrative costs and intensify the exploration of innovative solutions, yet advice against raising additional financial burden to borrowing member countries.

As a current donor of the Asian Development Fund (ADF), we agree in principle with the recommendation to strengthen the ADB's lending capacity in the long-run by combining assets of the ADF and the ADB's Ordinary Capital Resources (OCR) because it can not only reduce the burden of the ADF donors, but also better respond to the increasing demand from the ADF borrowers, especially those who are still facing extreme poverty. Additionally, we would like to recommend the Bank to prepare in advance effective risk management strategy and monitoring system in order to ensure these major structural and financial changes are successfully implemented.

Thank you very much.