

THAILAND

Apisak Tantivorawong, Governor

Mr. Chairman, Mr. President, Fellow Governors, Distinguished Guests,
Ladies and Gentlemen

It is my great honor to address the 49th Annual Meeting of the Asian Development Bank (ADB) here today in Frankfurt. On behalf of the Government of Thailand, I would like to convey my heartfelt appreciation to the government and the people of the Federal Republic of Germany for their warm hospitality and outstanding preparations for the Annual Meeting this year.

Before I begin, allow me to extend my deepest condolences to the Japanese and the Ecuadorian governments and their people for the loss of lives due to the recent earthquakes in these respective countries. I am certain that the international community, including the Thai government and our citizens, stand ready to do our best to help Japan and Ecuador go through this very difficult time.

Recent Global and Regional Economic Development

Global economic recovery continues, but with ever-increasing uncertainties. Global growth has been slow and became more fragile. Growth in major developed economies has lost momentum while many developing economies are facing falling exports. Sole reliance on exports as growth engine is no longer feasible. In response, governments are trying to prop up domestic demand through expansionary fiscal policy. Accommodative monetary policy has also been employed to support economic growth. From now on, growth will mostly come from within. Some economies are planning to invest more in public infrastructure, not only to crowd in private investment to boost short-term growth, but also to enhance national competitiveness and avoid sluggish growth in medium-term.

Economic Development in Thailand

Let me briefly turn to our country's economic performance and prospects. The Thai economy has been recovering gradually since the current administration took charge in August 2014. With greater political stability and supportive fiscal and monetary policies, economic growth rebounded. Thailand's GDP in 2015 expanded 2.8%. This is much higher than 0.8% growth in 2014.

For this year, it seems clear that continuous economic recovery is on the way. The Ministry of Finance estimated that Thailand's GDP growth this year will be more than 3%. While those economic factors that have been supportive to growth last year will continue to play their crucial roles, there are a few additional factors that have recently emerged as potential supplementary growth drivers. Tourism and public spending will continue to be the main growth engine. Private consumption has shown noticeable improvement. More importantly, fiscal and monetary policies will continue to help support economic recovery.

In addition, the government has implemented various economic stimulus measures. Among these, investment promotion stands out on top of our list as it can help boost growth while simultaneously help improve national competitiveness.

As a golden year for investment in Thailand, the government has been trying to further strengthen Thailand's attractiveness as an investment destination. Ease of doing business in Thailand has been improved. Many appealing privileges, both tax and non-tax, are being offered for immediate investment in 2016 and also for investment in targeted industries such as next-generation automotive, smart electronics, wellness tourism, agriculture and biotechnology, food for the future, robotics, aviation and logistics, biofuels and biochemical, digital, and medical hub, which will be Thailand's new growth engines.

Not only that we seek to strengthen growth, but we would like to achieve growth with quality. For this reason, we also try to put in place policies to encourage green consumption and green investment in line with the widely recognized Sustainable Development Goals. In 2016, Thailand modified excise tax structure and, among many improvements, excise tax on automobile is now collected based on carbon dioxide emissions rather than engine power.

As for public infrastructure investment, the government has been pushing forward essential investments in both hard and soft infrastructures. The government has a 1.796 trillion-bath investment project in rail, road, air, waterway, as well as intra-city and inter-city transportation system. Investors are encouraged to participate in these large public investment projects through various channels, including Thailand Future Fund and Public-Private-Partnership Fast Track. These investments will create jobs and boost domestic demand in short-run and will help raise national's economic potential in longer-run.

More importantly, the government is keen on improving nationwide financial infrastructure. The government recently introduced "National e-Payment" master plan to streamline and develop national electronic payment platform. This is a crucial step for Thailand as we aspire to progress towards a more modern economic development in which digital economy is intertwined with traditional economy. People and business will be encouraged to use electronic payment rather than cash through a reduction of cost of paying electronically and also an expansion of access to electronic payment. Likewise, payment to and from government will shift more towards electronic means. Social benefits will be more targeted. This new system will help reduce transaction cost, increase speed and security, while also improve transparency. More importantly, this new system will allow the government to compile useful information about lower-income population. With more a comprehensive and updated database, future social policy will become more targeted and a better social infrastructure will be achieved.

Thailand has made remarkable progress in economic and social development during the past few decades and became an upper-middle income economy in 2011. We were able to move up from a low-income country in less than a generation. In this regard, I would like to use this opportunity to thank ADB for always being Thailand's partners and support us in our various development endeavors.

From now on, we will continue to further improve our economic development to avoid being trapped in middle-income economy. I strongly believe that the aforementioned strategies of improving ease of doing business, encouraging investment, and upgrading both hard and soft infrastructure of the country are in line with the 2030 development agenda and can propel Thailand's economic development.

ADB's Partnership with Thailand

We appreciate our close partnership with ADB in supporting and focusing on Thailand development challenges including competitiveness, economic reform, inclusive growth and regional cooperation and integration, as well as support in the sub-regional level to enhance inclusive growth and sustainable development path for our Cambodia, Lao People's Democratic Republic, Myanmar, and Viet Nam, neighbouring countries and the Greater Mekong Subregion (GMS).

Regarding the 2nd country strategic partnership (CPS) which will end this year with many fruitful outcomes, we are working together with the ADB Thailand Resident Mission to develop the new CPS that further strengthen our national as well as regional development agenda.

We recognize our successful projects on the four-lane expansion of the National Highway No 12 from Pitsanulok to Lomsak, which is supported by the ADB. It is a prosperous part of the Greater Mekong Subregion East-West Economic Corridor which will link and create the greater competitiveness position and facilitate economic activities for Thailand's local provinces along the corridor projects. We also eulogize for our new cooperation, the partnership arrangement between the ADB and Neighbouring Countries Economic Development Cooperation Agency (NEDA), which strengthen our faithfully collaboration on joint development programs to develop our neighbouring countries together. In addition, ADB recently provided the vital technical assistance projects which will help Thailand strengthen its community-based disaster risk management and financial inclusion strategy for low income communities.

We wish the ADB to continue their support for Thailand's development agenda in achieving inclusive and sustainable growth, in particular, the innovative infrastructure, knowledge advancement and private sector especially SMEs development. We also anticipate the ADB to mainstream the crucial activities and operation in accordance with the global sustainable development goals (SDGs) in that "no one will be left behind".