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THAILAND

Sommai Phasee, Governor

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

It is indeed a great honor to address the 48th Annual Meeting of the Asian Development Bank (ADB) in Baku. On behalf of the Government of Thailand, I would like to convey my sincere appreciation to the Government and the people of the Republic of Azerbaijan for their warm hospitality and excellent arrangements for this year's Annual Meeting.

Before I begin, allow me to extend my deepest condolences to the Nepalese Government and its people. The loss of lives and destruction of properties due to the earthquake that took place on April 25th, 2015 have been devastating and set the country back a number of years. The Thai Government and many of our citizens are mobilizing resources to help provide a short term relief. But much needs to be done and I sincerely hope that the international community will do its utmost to help Nepal through this very difficult time. In this regard, I commend the ADB for the timely actions in providing USD 3 million for immediate relief and USD 200 million for rehabilitation and urge the ADB to continue playing pivotal role in the rehabilitation efforts for the country.

Global and Regional Economic Challenges

The global economic landscape continues to be fraught with uncertainties. Global growth has been slow which has reduced trade and investment possibilities. Many developing economies facing high public debt and falling export are unable to do much to prop up domestic demand though fiscal response. Some are planning to invest heavily in infrastructure to crowd in private investment and improve efficiency as a way to overcome the sluggish growth. Therefore, there is a large financing needs whether through traditional lending or through Public-Private



Participation (PPP) to meet the infrastructural challenge in the foreseeable future. The ADB must step up on the plate and meet this challenge. In this respect, we welcome the new financial institution, namely, the Asian Infrastructure Investment Bank or AIIB as another partner in this venture. We are of the view that it would be a good compliment to the ADB.

Economic Development in Thailand

Let me briefly turn to our country's economic performance and prospects. The Thai economy has gradually recovered since the current administration took charge in August 2014. With greater political stability and supportive fiscal and monetary policies, consumer and business confidences have been growing while exports and tourism have rebounded, resulting in a growth of 1.4% during the second half of 2014. But the outlook is not as robust as we are hoping for. The country still faces with difficult challenges, given fragile global economy coupled with falling commodity prices. Growth will continue to be low by historical standards. The Government will continue to support domestic demand through fiscal and monetary measures in the short run, while fostering an inclusive and sustainable. The Thai economy is projected to expand around 3.7% in 2015.

On a medium to long term, the Thai Government has placed a high priority to develop and upgrade our infrastructure as well as interconnection with our neighboring countries, especially those in the Greater Mekong Sub-region. We plan to build new rail link, including double track rail lines as well as high speed train across the country, extend our motorways as well as expand the metro and subway systems in Bangkok. We are also planning to create special investment zones and improve infrastructure in six border towns to serve as new growth centers. The amount of financing needs are estimated to be around USD 62 billion over the course of next 8 years. To compliment this effort, we are also providing tax and financial incentives for business and investors to invest in these new special investment zones and to set up International Headquarters and International Trading Centers in Thailand.



ADB's Partnership with Thailand

The ADB will continue to be a major partner in all these efforts. Again, infrastructure financing will be the key element in our engagement. I believe the ADB must be innovative by supporting our endeavor through both traditional lending and through PPP.

In addition, the ADB has proven to be a valuable partner in supporting the Thai Government program to assist our neighbours through the Neighbouring Countries Economic Development Cooperation Agency (NEDA). I urge the ADB to expand the support for this program through co-financing the mutually agreed projects as well as through private sector operation.

Enhancing ADB's Financial Capacity

We commend the ADB for its efforts to enhance its financial capacity in response to growing demand for financial development needs of the poor countries. The success of combining the ADF lending operation with the Ordinary Capital Resources (OCR) balance sheet to better leverage resources must be congratulated. We look forward to discussing issues relating future ADF on the upcoming ADF XII replenishment.

Lastly, we support the ADB's efforts to pursue its key development agendas to promote inclusive growth, environmental sustainability, as well as regional cooperation and integration in order to achieve its vision of the Asia and Pacific region free of poverty. We are confident that the ADB will continue to evolve and cope with the fast changing environment and pressing needs of Asia. To this end, Thailand reaffirms our commitment and look forward to further strengthening collaboration with the ADB and its member countries to meet development challenges in Asia.

Thank you very much.