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THAILAND

Kittiratt Na-Ranong, Governor

On behalf of the Government of the Kingdom of Thailand and the Thai delegation, I would like to express our sincere gratitude to the Government of India for their exceptional arrangements and cordial hospitality that have been extended to us during this 46th Annual Meeting of the Asian Development Bank (ADB). I would also like to congratulate Mr. Takehiko Nakao for being recently elected as the President of the ADB, as well as to thank all the staff of the ADB for their meritorious contributions to this auspicious gathering.

In the midst of global economic uncertainty, the developing countries, particularly those in Asia, appear to be the main drivers of global growth. However whilst output in developing countries has accelerated, it is being held back by weak levels of investment and industrial activity in the developed economies. This challenge may seem difficult to overcome, but it provides an opportunity for emerging nations to realize the need to focus on raising the growth potential of their own economies, whilst strengthening buffers to deal with the risk of global economic downturns.

As for Thailand, we are fully aware of the challenges ahead and have laid out our country strategy for the years to come. Regarding the current development of our economy, our country had impressive economic growth of 6.4 per cent in 2012. The Thai economy is expected to continue to grow more than 5 per cent this year. Considering the fact that we encountered several rounds of shocks both at home and abroad, our ability to recover quickly affirms our economic resiliency despite the global economic uncertainties and climate change. To ensure economic prosperity and stability in the long run, our government recently proposed country development strategies that include four essential elements: overcoming the Middle Income Trap by promoting growth and competitiveness; supporting inclusive growth to insure that Thai people of all income classes can enjoy opportunities for economic prosperity; promoting green growth for sustainable development; and improving internal processes by promoting good governance in the public sector.

We firmly believe that regional cooperation and integration must be underscored for the global economy to be sustainable. As we head towards the ASEAN Economic Community (AEC) in 2015, we consider development in connectivity to be critical for ASEAN, where countries are located at strategic locations with abundant natural resources, quality human resources and growing economies. Noting that strong domestic foundations are necessary to support ASEAN connectivity and community-building, our government has already planned to set aside about US\$67bn for infrastructure development megaprojects. These projects will not only help upgrade Thailand's potential output by removing infrastructure bottleneck of the country but also promote regional competitiveness by providing infrastructure linkages to other ASEAN nations.

Under the ASEAN plus 3 Pillar, there is a broad consensus that the ASEAN+3 would play a leading role in bringing greater financial confidence and stability to the region. We strongly commit to further strengthen our regional financial cooperation initiatives to effectively respond to the uncertainties in the global financial markets. We are pleased with the progress in revising the Chiang Mai Initiative Multilateralisation (CMIM) Agreement, including doubling its total size to US\$240bn, increasing the IMF de-linked portion and introducing the CMIM Precautionary Line. Furthermore, we are in the process of institutionalizing the ASEAN+3 Macroeconomic Research Office (AMRO) to a full-fledged International Organization, marking a significant milestone of the ASEAN+3's effort to further enhance our regional financial stability.

Thailand and the ADB have been development partners ever since the ADB was established in 1966. From this long standing relationship over many decades, we are confident that the ADB will continue working with us as a more effective and dynamic partner. Since our 11th National Economic and Social Development Plan and country strategy (Thailand - 2020) in many ways shares similar objectives with ADB's Strategy 2020, we strongly hope that the principal areas of cooperation under the second Country Partnership Strategy (CPS) between Thailand and the ADB will serve as a platform for our continuing cooperation at both national and regional levels.

On sub-regional development, we expect the ADB to play a greater role in the Greater Mekong Subregion (GMS) by providing more financial assistance and supporting with policy advice, knowledge products, capacity development in the areas of infrastructure and financial sector development, as well as private sector development and the development of Public-Private Partnerships (PPP). As one of the GMS countries, Thailand has played a leading role in developing the economy of the Subregion by providing financial and technical assistance to our neighbouring countries through the Neighbouring Countries Economic Development Cooperation Agency (NEDA). We believe that this Subregion with rich human and natural resource endowments has the potential to be one of the world's fastest growing areas in the future. In this regard, we would like to see stronger cooperation between the ADB and our NEDA in terms of co-financing and technical assistance, as this will further enhance our relationship as development partners in the region as well as promote development of the GMS as a whole.

Furthermore, as a current donor of the Asian Development Fund (ADF), a major instrument of concessional financing that has supported equitable and sustainable development in the region since 1973, we expect the Fund will have a strong emphasis on infrastructure and basic public services development, as well as promoting environmentally sustainable growth in recipient economies. With help from the ADF, recipient countries, especially those that are currently going through economic transformation, will most likely progress toward the non-income Millennium Development Goal (MDG) targets in time.

Finally, I would like to end my statement by adding that as the ADB's role in supporting regional development has been evolving to respond to the rapid changes and economic challenges in Asia, we have complete confidence that the ADB will play a critical role in meeting such challenges and continue to be the most essential engine for Asian regional growth in the future.

Thank you very much.