

## THAILAND

### CHAIYOT SASOMSUB, Governor ad Interim

It is my great pleasure to address this annual meeting of the Board of Governors of the Asian Development Bank. I join others in thanking our host, the Government of Turkey, for their warm welcome and great hospitality.

I would also like to extend our sincere congratulations to Mr. Haruhiko Kuroda on his recent election to the Presidency of the Asian Development Bank. We believe that his tremendous experience should lead the ADB into a new age of regional prosperity and development.

Thailand has achieved healthy economic growth. Even during a period of global uncertainty, our unflagging dedication and hard work has revitalized the very foundations of our kingdom. Renewed economic expansion has produced an average annual growth rate of more than 6% over the last three years. Innovative economic strategies have boosted domestic demand while increasing intra-regional trade has raised external demand. Also, economic stability has been strong. Inflation and unemployment rates have been contained at lower than 3%, while foreign reserves have risen to 4 times greater than our short-term external debts.

The second term of the Thaksin administration, with a one-party cabinet for the first time, marks the dawn of a new era in Thailand's legacy of political stability. By building on the foundations of reform that we have already established, we now have a chance to vault our economy into the bright and beautiful future. The last 5 years of ceaseless effort have not lulled us into complacency; on the contrary, they have served as proof that success is within our reach.

There has never been a better time to improve Thailand through sweeping economic reform. In this climate of limitless possibility, Prime Minister Thaksin has pledged to eradicate poverty by 2009. We truly believe that sustained competitiveness and value creation must begin at the very roots of our nation. Starting at the bottom of the pyramid, our government is beginning to unlock the great potential hidden away in rural Thailand. We have been, and will be expanding more opportunities for the underprivileged to create higher income and to have better access to financial resources. We will succeed in our drive to eradicate poverty. But the process of reform is not complete.

Under the steady principles of economic and social sustainability, our nation can vault towards the prosperity of a developed first-world country. We are working towards our long-term goal by pursuing three main branches of reform.

The first branch of reform ensures that the human and social development of our great kingdom receives equal attention as our economic development. We aim to promote lifetime education. Free education for all students is now a reality. More students will be granted access to college education. Training programs will be offered to whom ever wants to learn more about special fields. We are investing in the educational infrastructure that will allow the people of Thailand to realize their full potential as internationally respected professionals.

The second branch of reform is designed to enhance our national competitiveness in the international market. The Prime Minister stressed the importance of "value creation" to the long-term prosperity of our economy. It is our strong intention to add more innovative value on top of the traditional value of labor, land, and capital. Our intellectual property, our local skills, and our unique culture must be built into our products. Enhancing national

competitiveness also requires transparent private and public sectors as well as efficient financial and capital markets. So, private and public sector reforms as well as financial and capital market reforms must be strengthened. We believe that these reforms will produce incredible productivity gains that will continue for years to come.

The third branch of reform will foster regional inter-reliance. In the era of globalization, addressing domestic challenges alone may not be adequate. Regional integration must be strengthened, so that Asia can grow together. To this end, our Prime Minister has initiated the Asia Cooperative Dialogue, which aims to construct lasting networks that will link our Asia members together. We are also actively promoting regional trade and financial cooperation. For example, Thailand has played a leadership role in promoting the Asia Bond Initiative, which has the potential to revolutionize the process of saving and investment worldwide.

The primary goal of the Thai government and the ADB is the same: we are both committed to the pan-Asia eradication of poverty. Today, I say that we can achieve this overarching goal if we all work together. In conjunction with the ADB, Thailand actively supports the Greater Mekong Subregion (GMS). To top off these efforts, we foster greater subregional integration in the Ayeyawady-Chaophaya-Mekong Economic Cooperation Strategy (ACMECS). We also established the Neighboring Countries Economic Development Cooperation Fund to provide financial and technical support for neighboring countries. Thailand is now ready to lead the Subregion into a new era of prosperity.

Today, Thailand enjoys a donor-country status. We are proud to be a donor to the Asian Development Fund (ADF). In the new ADF IX, we have pledged over 3 million US dollars, which is a 20% increase from our last contribution. Our new ADB resident mission is also opening new opportunities for Thailand and the ADB to form partnerships for regional development. But the process of reform is not complete.

Now is the time to act. In this climate of reform, let us not be content with the results we have already achieved. Let us act in the interests of Asia by promoting a cooperative framework of regional economic integration. With support from the ADB, under the leadership of a famous advocate of Asia economic integration, we are certain that our interregional cooperation will continue to strengthen. By working as a team, Thailand, the ADB and all of us can produce a legacy of sustainable economic development in the region.

Together, we can shape the future of Asia. Let us work hand in hand to construct a framework of regional prosperity and success.