

THAILAND

VIRACHAI VIRAMETEEKUL, Temporary Alternate Governor

It is a great pleasure for me to address this annual meeting of the Board of Governors of the Asian Development Bank (ADB). I join others in thanking our host, the Government and the people of the Republic of Korea, for excellent arrangements made for this meeting. Prime Minister Thaksin places great value on our relations with Asian economies, and on the work of ADB.

We are proud to have successfully repositioned Thailand for growth and stability. The state of our economy is strong, and strong in every indicator. Last year, the growth rate was 6.7 percent, accelerating from 5.4 percent in 2002. This year, this strong momentum is expected to continue. It is important to note that the growth has been broad-based, driven by robust domestic activities and strong exports. Inflation remains low, external position is solid, and the Thai baht is stable.

The Government of Thailand is proud to announce a balanced budget in fiscal year 2005, 3 years ahead of schedule. This will be a balanced budget that will not lose sight of its balance: a balance between fiscal consolidation and our values towards building a better future for all—better education, better health care, and better social security.

The prospects for the Asian economies have much improved. The days of economic turbulence are behind. Despite the healthy prospects, the important question remains—how long can this last? My answer is simple—IT IS UP TO US.

The road to sustainable growth requires that we work together to build a competitive Asia. An Asia that stands at the forefront of global competition. An Asia that will rely on her own inner strength and yet readily adapt to innovative ideas from abroad.

On this note, it is encouraging to have witnessed strong collective efforts in the past year to manage downside risks such as severe acute respiratory syndrome (SARS) and Avian Flu outbreak. I do hope that we continue such tradition.

To succeed in the new global competition, we must find ways forward to unleash the full potential of our private sector. For far too long, our reforms have been inadequate, providing solutions that do not solve the issues of our private sector.

Thailand has been active in pushing forward many reform programs, including financial sector reform. The essence of the Financial Master Plan would be to improve efficiency, stability, and competition among financial institutions, and, most importantly, to broaden accessibility of financial services to all users, including the grassroots and small and medium-sized enterprises.

Partnerships for sustainable development can also be built through closer regional cooperation and through the work of ADB. On this note, Thailand would like to express our sincere appreciation to ADB for its technical assistance in the Asian Bond

Market Development Initiative. Thailand is a prime mover in this initiative and firmly believes that it will help bring financial cooperation in Asia to another level.

It is important to also highlight Thailand's commitment to strengthen economic relationships in the Greater Mekong Subregion (GMS). The Bagan Declaration under the framework of Economic Cooperation Strategy (ECS), adopted by Cambodia, Lao People's Democratic Republic, Myanmar, and Thailand, has further enhanced this existing relationship.

Thailand would like to see nothing short of the prosperity of our neighboring countries. In this regard, I welcome the establishment of a Resident Mission in Thailand to serve as a center of ADB's operation in providing assistance to the GMS countries.

Thailand would like to see others joining force with ADB in similar arrangements to help strengthen Asia. The will to strengthen Asia must come from Asia herself. It is now high time to ask ourselves: If not us, who? If not together, how?

In conclusion, Thailand recognizes the importance of ADB work. The time is here; the moment is now to work together, to struggle together to lay a necessary foundation for sustainable growth. Let us move forward in a true spirit of Asia.