



# 39<sup>TH</sup> ANNUAL MEETING

## BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

Hyderabad, India

4–6 May 2006

**GS-20**

### **THAILAND**

Thanong Bidaya, Governor

I should like to begin by extending my sincere appreciation to the Government of India and ADB's management and staff for the excellent arrangements for this 39th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB), and to the city of Hyderabad for its generous hospitality and warm welcome.

As we have all experienced, the world economy is facing downside risks, such as volatile oil prices, persistently large imbalances, and catastrophic events such as national disasters and avian influenza outbreaks. Despite these external shocks, I am delighted to report that the Thai economy continues to remain strong and resilient, with first quarter growth likely to exceed 5.5%. Inflation is expected to be kept in check at under 4%. International reserves remain strong.

Thailand is certainly not alone. Tremendous growth opportunities are evident everywhere in Asia, and there is generally greater resilience against shocks. Individually, Asian countries possess many diverse strengths that have been crucial to our progress. Together, our diversity creates great synergy through our various regional initiatives. Undoubtedly, much credit belongs to ADB, which has long facilitated regional cooperation and successful policy implementation.

ADB, as the biggest multilateral development bank in the region, deserves much praise both for a job well done and for its efforts to further improve its performance. New proactive policy initiatives proposed by ADB in pursuit of "open regionalism" are in the pipeline and are currently under consideration by the Board of Directors. These policy initiatives follow guidelines articulated in ADB's regional cooperation and integration framework, which Thailand fully supports.

Better training for officials is vital to the success of those policy initiatives. Thanks to ADB, a Regional Financial Integration Training Center will be set up in response to the need for greater capacity development for policy makers. The new center will fill the communication and knowledge void between researchers and policy makers, it will provide a bridge between global and local knowledge to meet development challenges. Thailand's values this initiative for two reasons, first for the network of officials the center will create and second for choosing Thailand as its location. For our part, we promise to deliver a haven for shared knowledge and shared goals, and we will strive to prove ourselves worthy of your selection.

One noteworthy change in the long-standing relationship between Thailand and ADB in recent years is Thailand's growing role as a donor country. Since ADB's establishment, Thailand has achieved great socio-economic progress through both financial and technical



assistance. In return, we hope to share our experiences—be they progress or pitfalls—and resources with other member countries.

Among ADB's middle-income members, Thailand will soon embark upon an enhanced partnership through the establishment of a partnership framework between the Royal Thai Government and ADB. Spearheading our shift to a donor role, the partnership framework will provide a road map for cooperation in addressing development priorities, at national and regional levels, over the next 5 years.

At the national level, Thailand values ADB's role in promoting public-private partnerships, specifically in the context of infrastructure and capital market development. At the regional level, this will contribute to strengthening Thailand's position as a development partner by co-financing cross-border infrastructure, promoting sub-regional trade and investment, and supporting the development of Asian bond markets.

In parallel with the multilateralism of ADB, Thailand has increased financial support and technical assistance to neighboring countries through bilateral and sub-regional initiatives. An agency has been established in Thailand called the Neighboring Countries Economic Development Cooperation Agency (NEDA).

We are very pleased to be working closely with ADB to help direct NEDA on the road to an effective aid strategy. Equipped with the ADB's extensive expertise, NEDA will move toward a more effective allocation of aid resources with "the right timing and the right mix of money and ideas," to paraphrase Nobel laureate Joseph Stiglitz.

Finally, I would like to thank ADB for its support in every aspect in the region, including the Asian Bond Markets Initiative, the Chiang Mai Initiative and other examples of financial cooperation. I hope this support will be maintained for a long time to come.

In conclusion, Asia is now the place to do business, the place blessed with tremendous resources, and even greater reserves. I believe that the future is ours. Through communication and collaboration, the opportunities are unlimited. But first, we must reach out to our less prosperous neighbors. ADB stands firm in its assistance to its developing member countries and Thailand is in full support. Please join us to fully unlock Asia's collective potential.

