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THAILAND

Kittiratt Na-Ranong, Governor

On behalf of the Thai delegation, I would like to express my gratitude to the Government of the Philippines, for their warm welcome and hospitalities extended to us during our stay in Manila. We also would like to thank the President of the Asian Development Bank (ADB), Mr. Haruhiko Kuroda, the Management, and staff of the ADB, for their excellent preparation of this 45th Annual Meeting of the Board of Governors of the Asian Development Bank.

May I take this opportunity to share some views on performance of the Thai economy and challenges posted to us. As Asia is now playing a prominent role in the global economy, Thailand, along with other Asian countries, has steadily maintained its bright economic growth prospect despite the sluggish caused by last year flood situation. I am pleased to inform you that our comprehensive packages of infrastructure restoration measures and effective water management systems are now in place, and the Thai economy is well on the path to a full recovery. On the 2012 economic outlook, Thailand's after-flood restoration and stimulus programs will play important roles in boosting our domestic consumption and investment, supported by continuous economic expansion of major trading partners in the region, and the Thai economy is expected to grow at least 5.5 percent this year.

Responding to the rapid changes in Asia is a big challenge. Today, Asia is the most dynamic region of the world in terms of economic growth. However, while Poverty is declining, the gap between the rich and the poor is widening, and income inequalities are increasing. Hundreds of millions of people in Asia still have to survive on income less than US\$ 1.25 per day. We believe that the ADB plays a critical role in meeting these challenges. The experience and expertise of the ADB in partnership with the countries of the region is crucial to achieve the targets in the Millennium Development Goals (MDGs). Poverty reduction, Pro-poor economic growth, Inclusiveness and equitable development, are the principles that should remain in the focus of the ADB's business. In Thailand, our current government has clearly announced the goal to reduce income disparity between the rich and the poor. One of the policies launched is to raise the minimum wage by 40 percent across the country. We believe that an increase in the minimum wage will create a virtuous circle for our economy, as the workers will receive higher pay, their quality of life will be enhanced, and their purchasing power will be increased. This, in turn, will lead to an increase in spending and more domestic demand for products, stimulating future economic activity.

Thailand and the ADB have had many decades of long standing relationships and close bond of friendship. As we have completed the first Country Partnership Strategy (CPS) between Thailand and ADB, which has been implemented during 2007 to 2011, we are very pleased that our relationships are further tightened through the development of the Second CPS. In this light, we hope that the principal areas of cooperation under the second CPS will serve as a platform for our continuing cooperation at both national and regional levels. On the regional cooperation, we sincerely hope that the ADB will develop a sound framework for more cohesive and effective supports with the aim at expanding intra-regional trade, improving savings mobilization to finance investments within the region, improving physical connectivity, and reducing the region's vulnerability to external shocks. In this regard, we believe that in order to effectively support the CPS's future implementations, the empowerment of the ADB's resident missions, both in terms of capacity and resources, should be enhanced.

Thailand's role in the international arena has turned into a new page since we become the donor country and make contribution to the Asian Development Fund (ADF). On the new replenishment of ADF XI, Thailand has continued our supports and contribution into the Fund. In this connection, we hope the ADB Strategy 2020, focusing on transport, energy, water, other infrastructures, and basic public services, will remain priorities in the ADF context. On the basic public services in particular, we would like to highlight that improving education and promoting inclusiveness by widening the circle of opportunities are crucial elements as they provides opportunities to all members of society to participate in and benefit from economic growth. In addition, given that the world is facing environmental challenges from natural and climate-change related catastrophe, the vulnerabilities of ADF recipient economies may be another matter that ADB should consider prioritizing in its policy.

In addition to being ADF Donor Country, Thailand has also played a leading role in developing our region economy by actively providing financial and technical assistance to neighboring countries and to the region through Thailand's International Development Agencies, namely Thailand International Development Cooperation Agency (TICA) and the Neighbouring Countries Economic Development Cooperation Agency (NEDA). In this connection, we would like to extend our special thanks to the ADB in developing several joint programs on training and lending under The Greater Mekong Subregion (GMS) cooperation. We understand that such activities may have created higher pressure on ADB's resources, however, in the spirit of promoting South-South cooperation, we hope that the ADB will continue to further allocate adequate resources and staff members as well as strengthen internal coordination in order to materialize our cooperation effectively and efficiently. In addition, since the ADB is a home of many experts, researchers and academicians, we would like to support the sharing of knowledge, experiences and information outside of the ADB in order for the developing members to increase their self-development capacities.

In conclusion, as the Asian region continues to witness uneven growth and this may persist over the next decades if we do not act promptly, we hope to see the increasing role of the ADB in responding to the needs of the region. We trust that the ADB, as being the leading development bank of the region who always look for ways to improve its operations, will continue to be the most important engine for the Asian regional growth with the aim to bring all members to the same level of economic and social prosperity.

Thank you very much.