



Thailand's Economic Dynamism and Prospects

by
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Governor of the Bank of Thailand

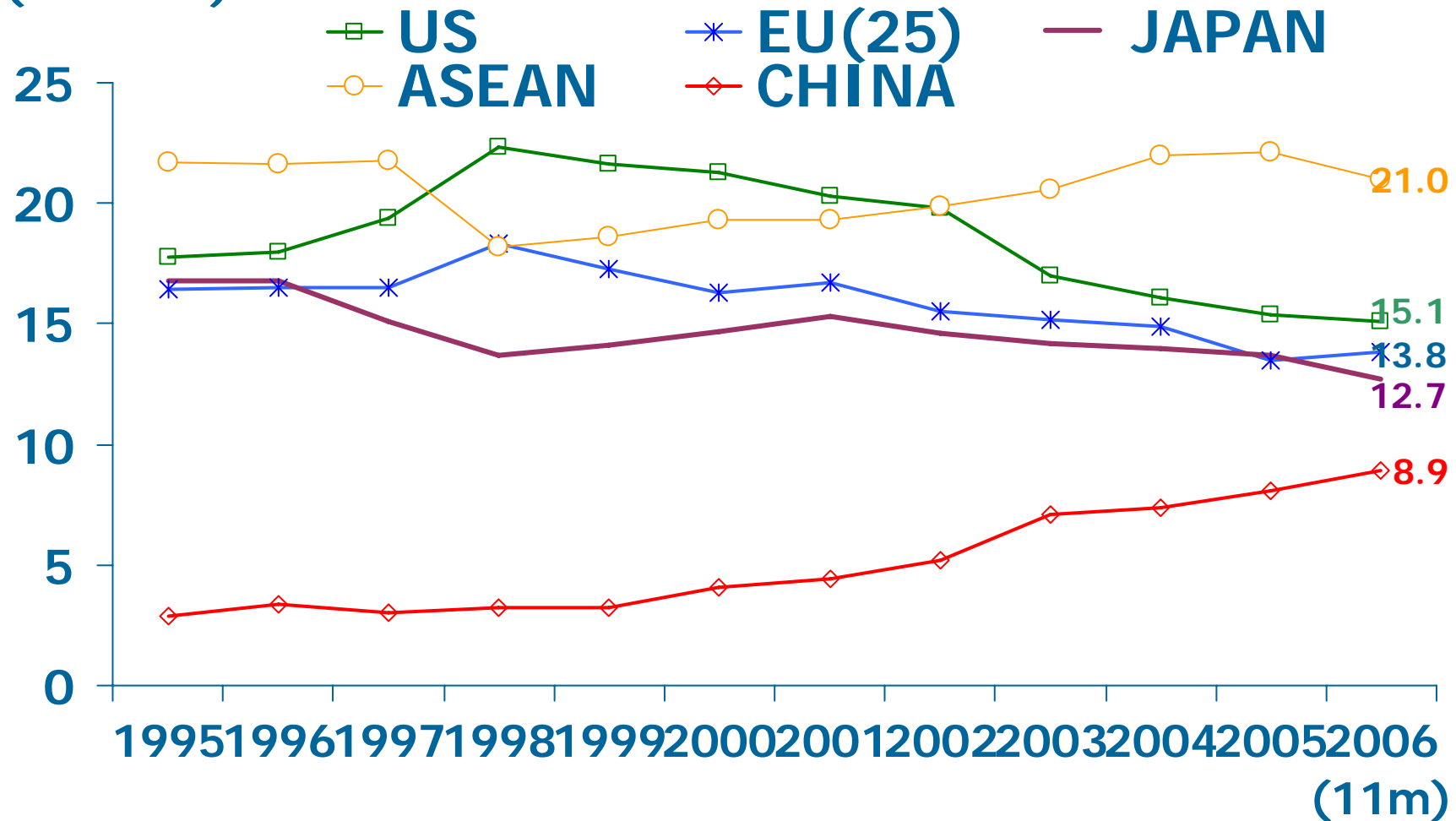
**"Ten Years After the Asian Currency Crisis:
Future Challenges for Asian Economies and Financial
Markets"**

**The Center for Monetary Cooperation in Asia, Bank of
Japan
Tokyo, 22 January 2007**



Aided by more diversified export markets

Trade Share
(Per cent)

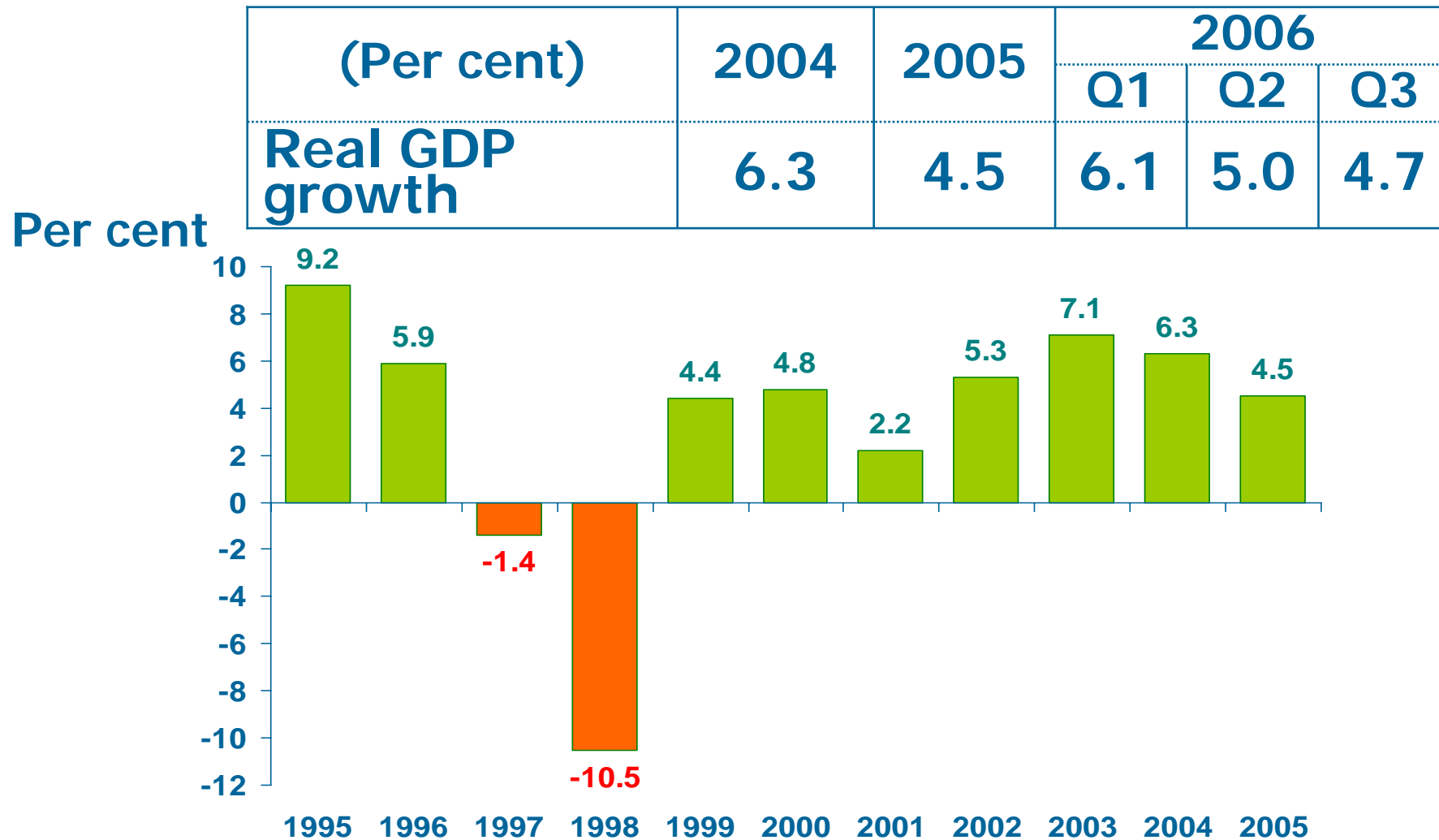


Source: Customs Department



The Thai economy is now back on a firm growth path

2



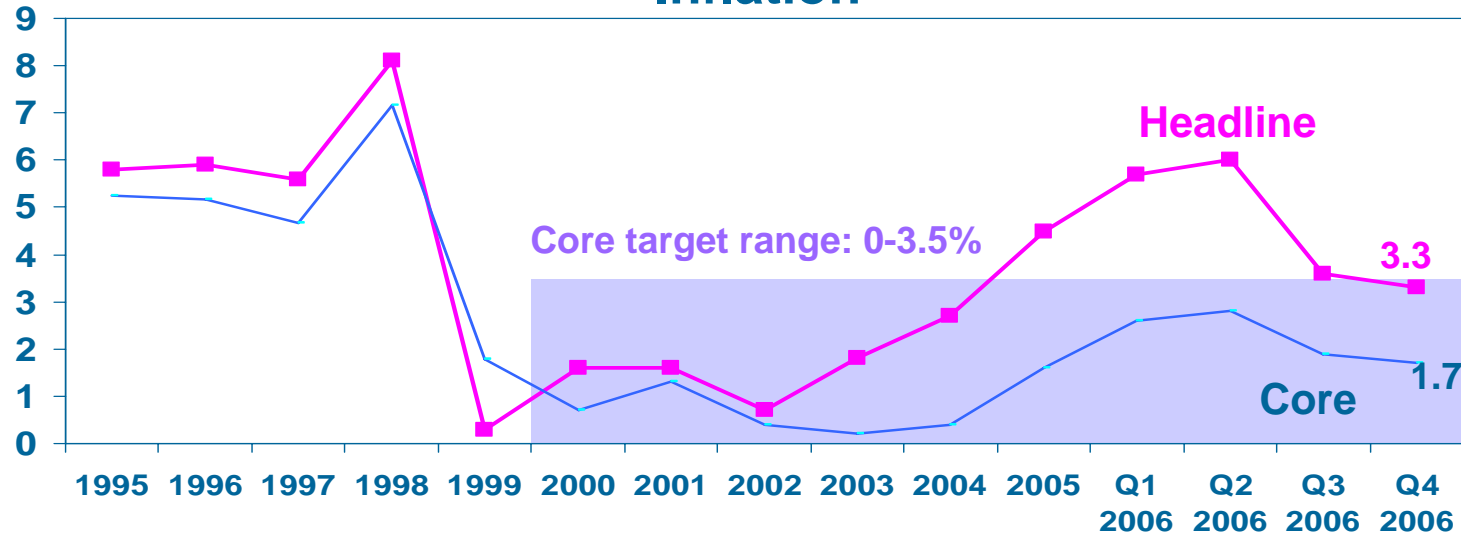
Source: NESDB



Growth has been accompanied by economic stability (1)

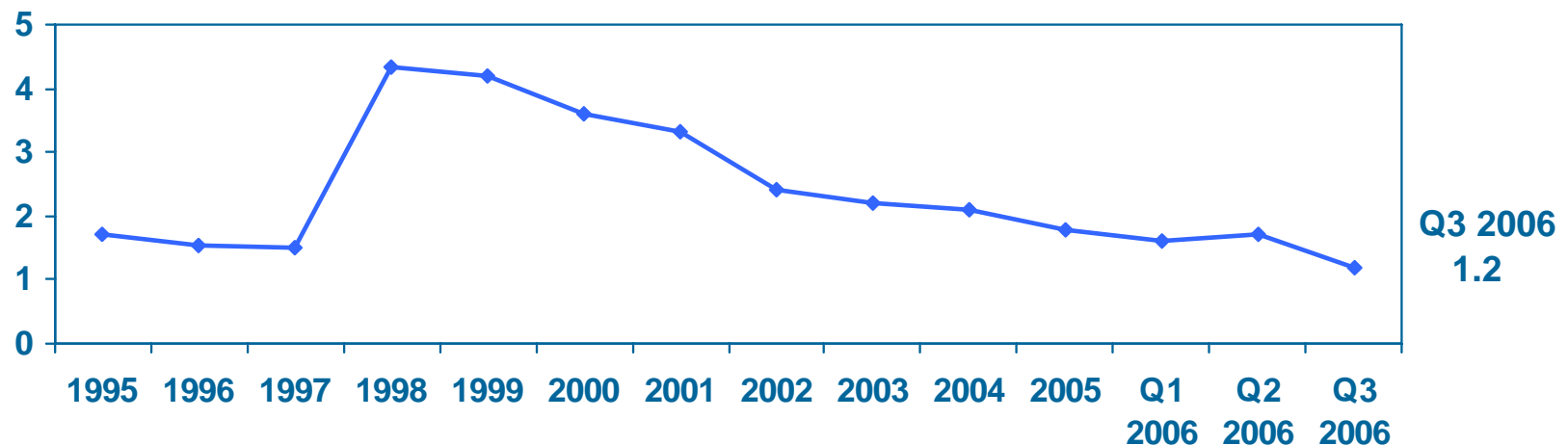
Per cent

Inflation



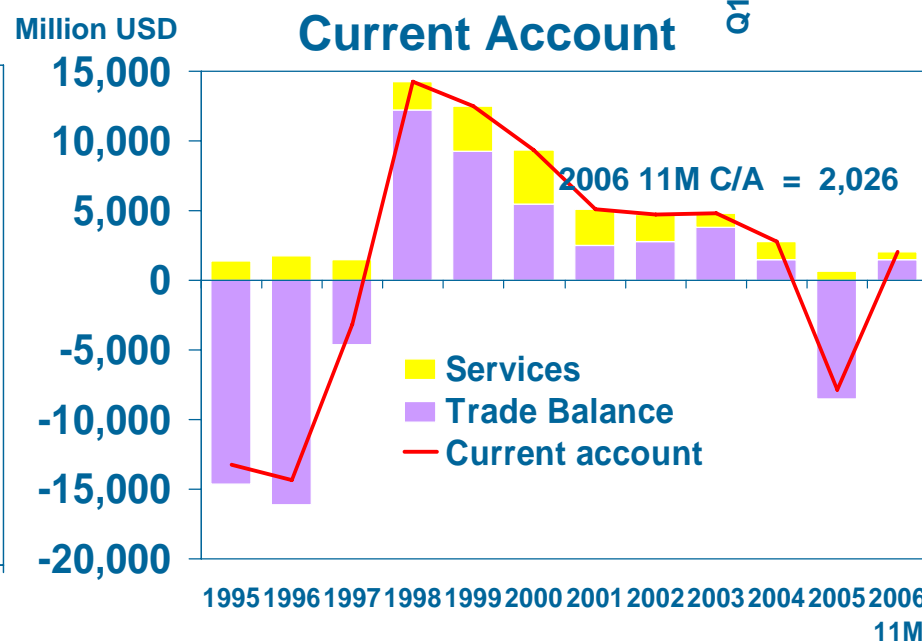
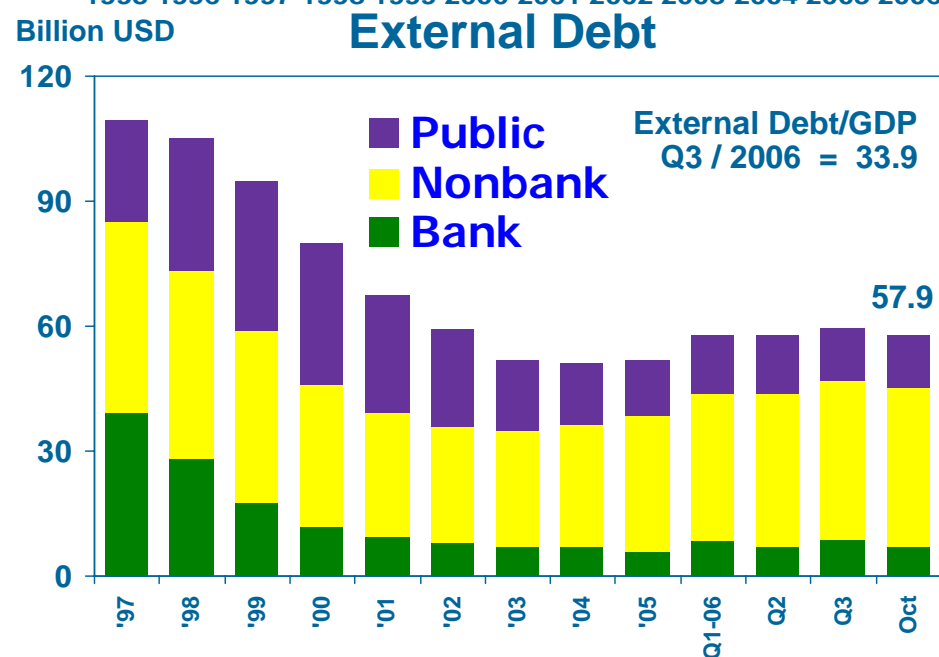
Per cent

Unemployment



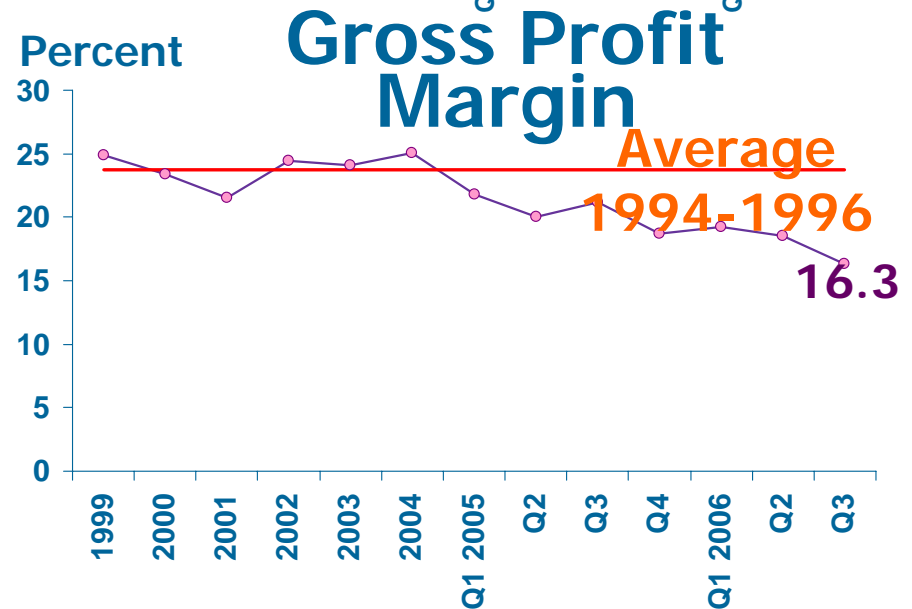
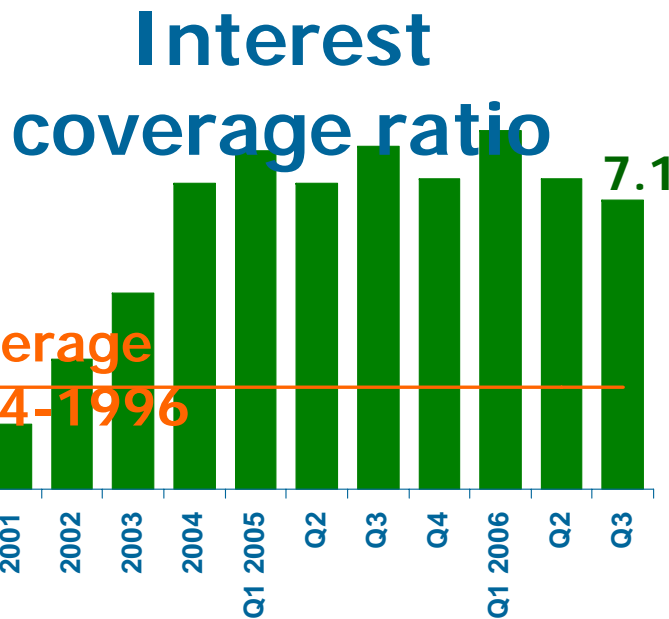
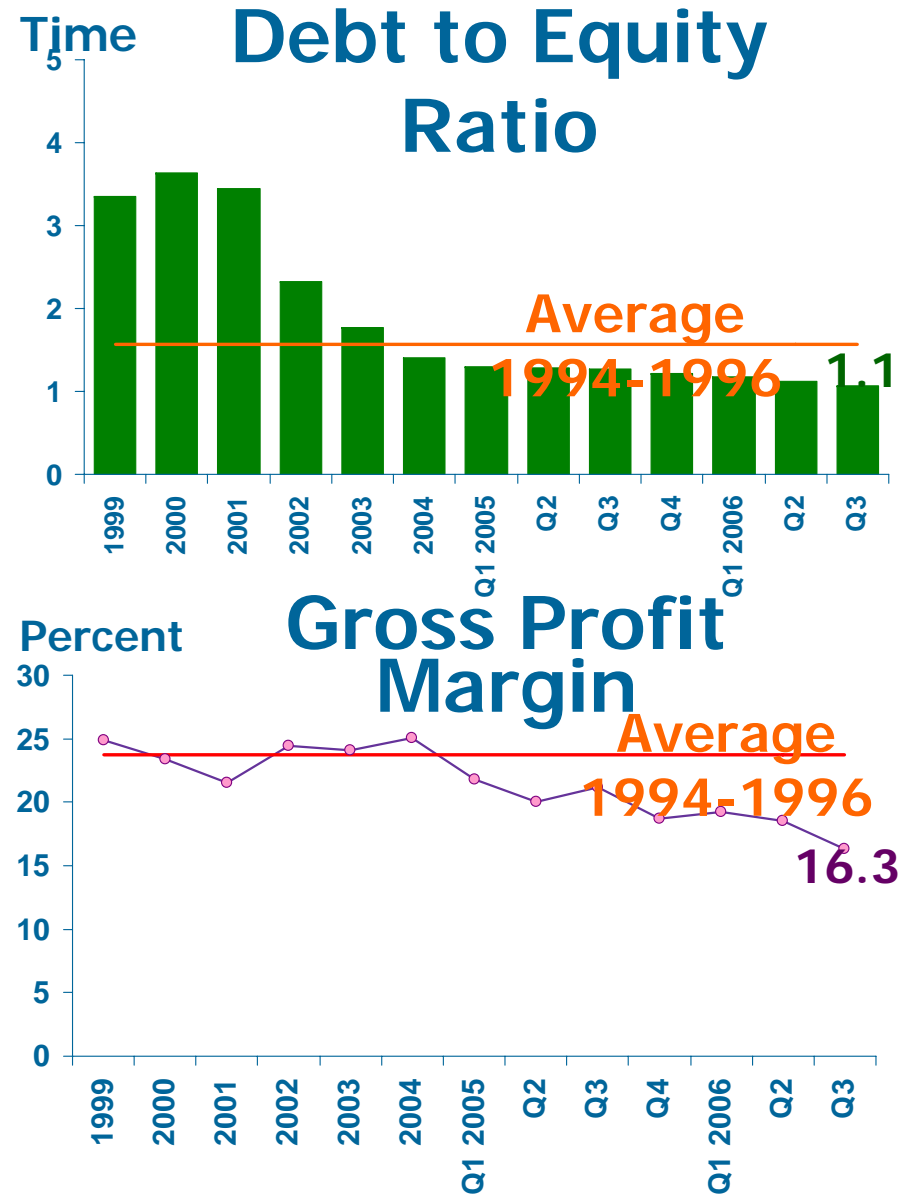
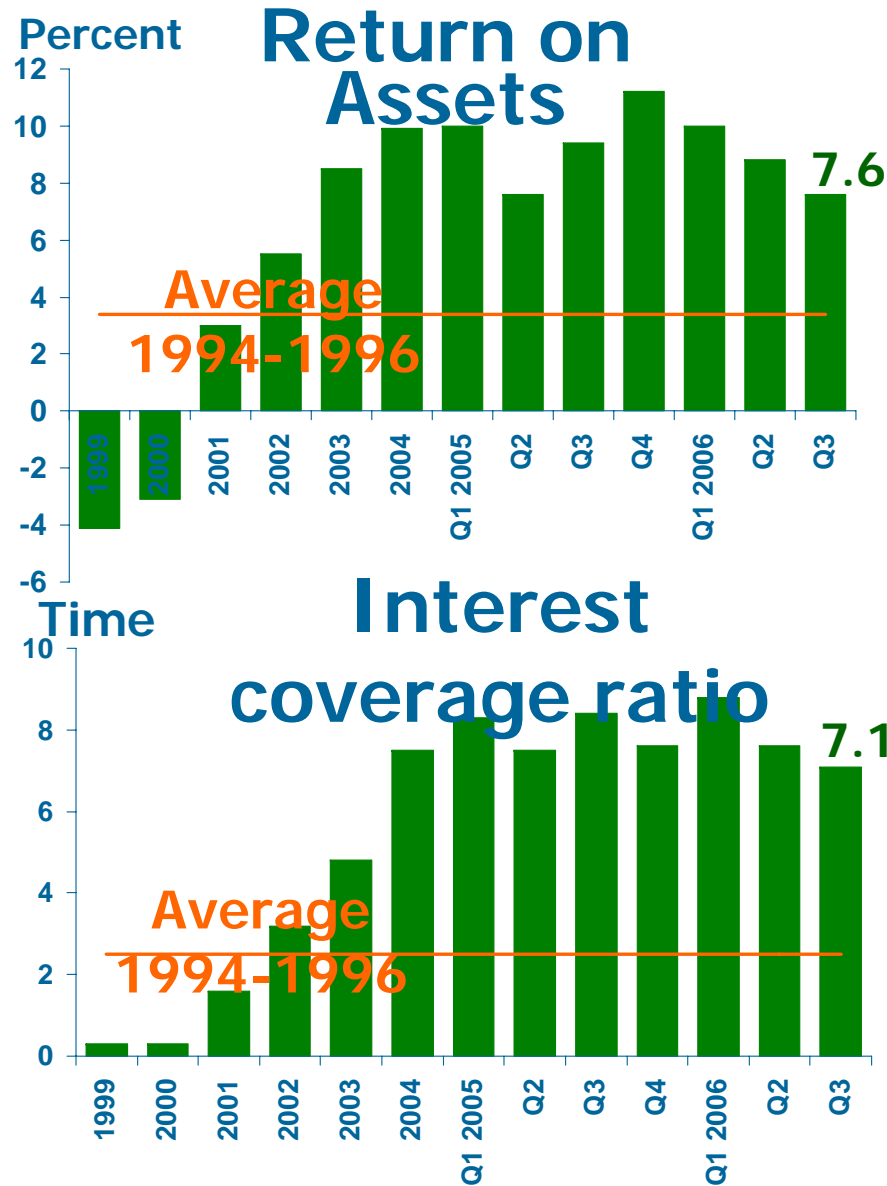


Growth has been accompanied by economic stability (2)



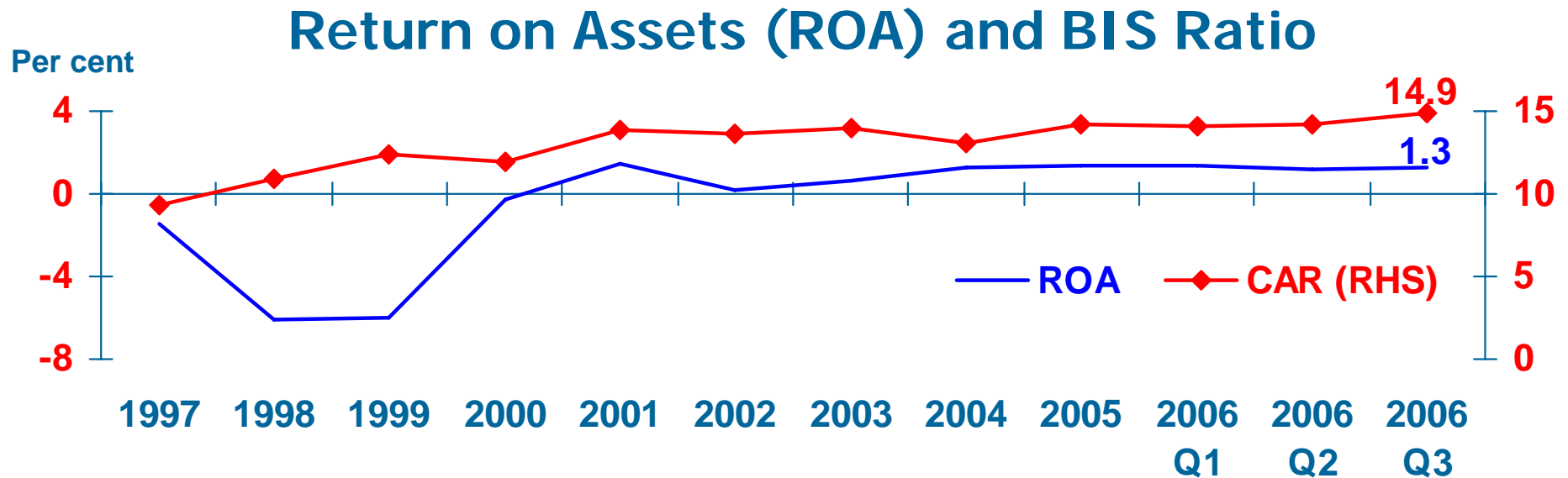
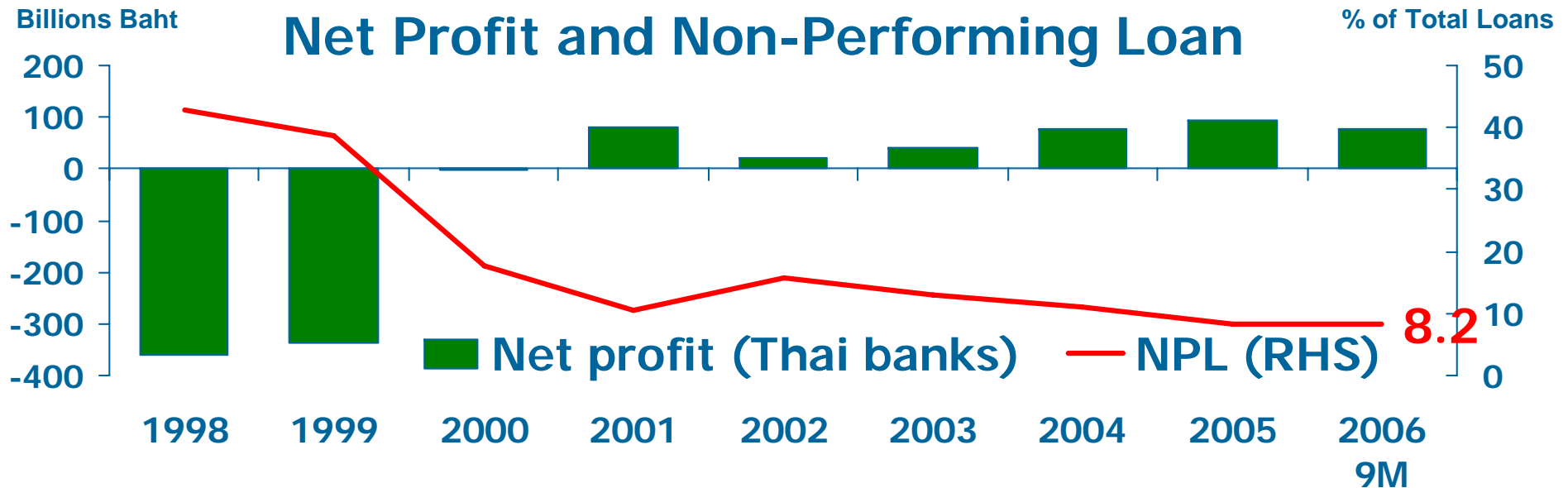


Performance of listed non-financial companies has improved





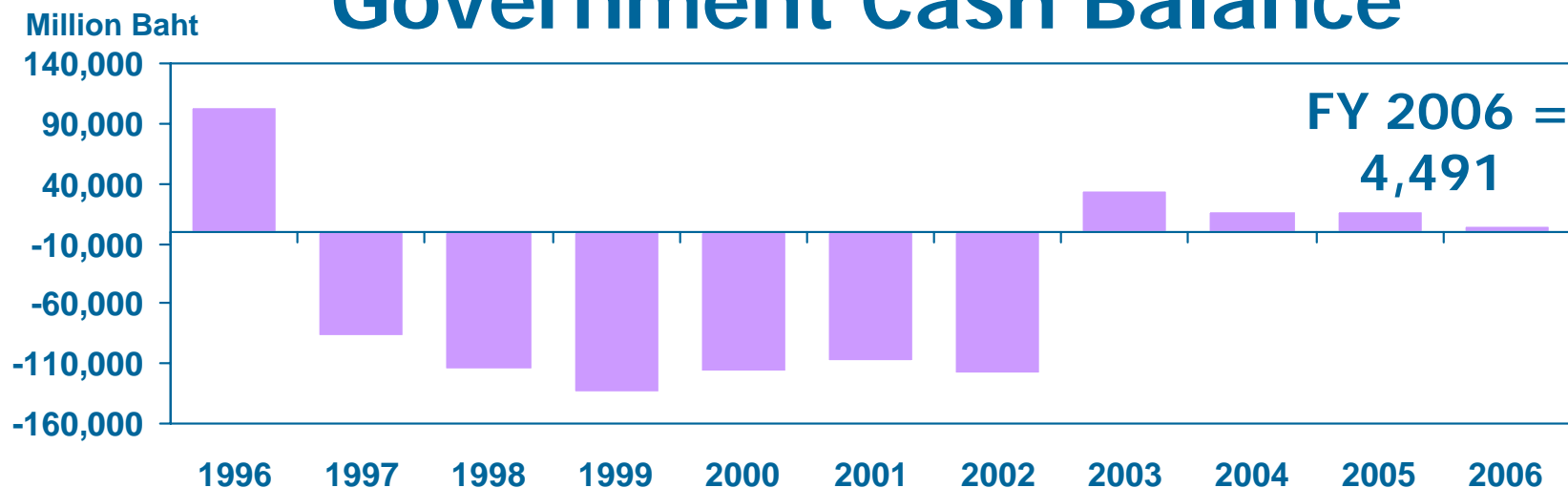
The banking sector is now in good health



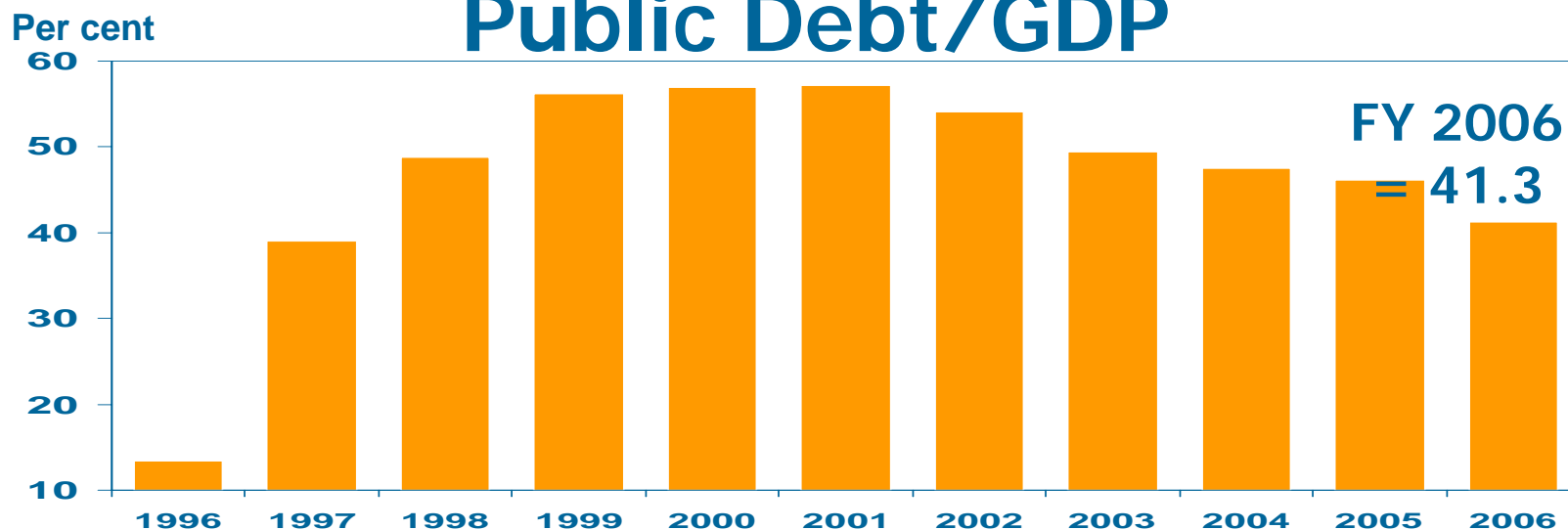


Fiscal Sector (Fiscal Year)

Government Cash Balance



Public Debt/GDP



Source: BOT, GFMIS



Factors to support medium-term growth

8

- Oil prices have stabilized
- An expected pickup of private investment in the second half of this year or next
- Better banks' ability and willingness to lend as a result of stronger balance sheets
- Use of deficit-financed fiscal stimulus



Dealing with long-term challenges

- Continuation of financial and real sector reforms
- Inflation targeting as a framework for managing economic risks
 - Supplemented by monitoring and assessment of financial imbalance in seven areas
- International policy dialogue on global financial issues