

THAILAND

Statement

by

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of the Kingdom of Thailand to

the State of Qatar

at the Plenary meeting of the

Follow-Up International Conference on

Financing for Development to Review the

Implementation of the Monterrey Consensus

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Mr. President,
The United Nations Secretary General,
Distinguished delegates,

My delegation wishes to associate ourselves with all condolences expressed earlier in the meeting to the Government of India, its peoples and victims of the recently tragic incident in Mumbai. It reminds all of us once again that cohesive effort to fight terror act lies upon our cooperation globally.

I wish to express my deepest appreciation to His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar and the President of the Follow-up Conference for his vision, commitment and consistent responsibility toward the international community. It is once again that his statesmanship prevails when the world is clouded by the financial storm.

My appreciation also goes to all people in New York and elsewhere who have contributed to the excellent preparation of this Follow-Up on International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.

Mr. President,

Today, we meet at a crucial time, when the stalemate in Doha Development Agenda negotiations may aggravate the looming gigantic financial crisis and global economic downturn. This situation threatens to slow down the implementation of the Monterrey Consensus, worsen the living of the "Bottom Billions" and thus the realization of the Millennium Development Goals. Never before have we had so little time in which to do so much.

Therefore, this Conference must seek to evolve the ground for a comprehensive follow-up and a strengthening of the entire financing for development process with tangible outcome that will reinforce the spirit of global partnership and solidarity. To this end, I would like to share my view on two specific areas: First, the mobilization of international resources for development, and second the international finance and technical cooperation for development.

The mobilization of international resources for development

International trade is a major source of financing for development and a compelling driving engine towards attaining the Millennium Development Goals. Therefore, Thailand wishes to urge all WTO member countries to show flexibility to overcome the remaining obstacles in the DDA negotiations, with a view to concluding the Round at the earliest possible date. It is also expected that such conclusion would lead to clear and predictable legal framework for free and fair trading system, in which developing countries can compete in level-playing field.

Another major international resource for development is foreign direct investment and private flows. Although the developing world has experienced a surge in FDI in the last decade, it should be emphasized that FDI should come with provision of technical, financial or other forms of assistance which contribute to strengthen human capital in host countries and to promote the public and private partnership.

The world has much concerned on volatility of private capital flows. Before the financial crisis in the United States, the capital flew to capital markets of emerging economies and LDC. Some of the markets turned abnormally overvalued in stock prices with high growth rates and exchange rate appreciation. After the housing bubble burst in the mid of 2007, it was followed by financial and liquidity crisis this year, and massive capital was withdrawn from the other part of the world including the emerging economies and LDC. The massive capital inflows and outflows currently trigger the need not only for the new global financial architecture, but also regional financial cooperation in the South-South zone.

The international finance and technical cooperation for development

In Asia, the ASEAN+3 has continued to make a progress in the financial cooperation among the 10 Southeast Asian countries called ASEAN and plus 3 major countries in Asia; namely China, Japan, and South Korea.

In response to the Asian Financial Crisis in 1997, the ASEAN+3 initiated self-help mechanism called Chiang Mai Initiative (CMI) which named after the Northern city of Thailand where the agreement was signed. The CMI now comprised of bilateral financial swap arrangements at the size of 84 billion US dollars as liquidity facility for member countries in case that they experience unusually capital outflows. The agreement reflects the desire to buttress financial stability following the crisis of 1997–98 and the recognition that governments can better achieve this agreement collectively than individually. Currently, ASEAN+3 leaders are in the progress to advance CMI to other levels. The form of CMI would turn from bilateralization to multilateralization. Moreover, the size of the CMI would increase significantly. The improvement would be announced in the ASEAN Leader Summit in Chiang Mai this coming December. As a result, the ASEAN+3 region might be a region of stable financial situation with independent surveillance system, pre-announced rule of contributing and borrowing, and enough eligibility fund to absorb the global financial volatility.

Additionally, Asian Bond Markets Initiative (ABMI) has been supported by the ASEAN+3 countries. Since the endorsement of the ABMI promotion program in 2001, local currency-dominated bond markets in the region have achieved remarkable growth in terms of size and diversity of issuers. Now, the new ABMI roadmap emphasizes four important task forces, which are promoting the issuance of local currency-dominated bonds, facilitating demand for local currency-

dominated bonds, improving the regulatory framework, and building up related infrastructure for the bond markets. We are hoping the utilization of the bond denominated in local currencies will help to reduce the impact of the global financial volatility.

Thailand is firmly committed to South-South cooperation and has been extending technical cooperation in three main areas in which our country possesses strong expertise, namely agriculture, public health, and community development. As an active development partner, we have endeavoured to bridge the development gap and promote joint prosperity with our neighbors in the Mekong region through the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy or ACMECS and the Greater Mekong Sub-region or GMS, as well as the developing countries in South and Southeast Asia through the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation or BIMSTEC. Under these frameworks, Thailand, with the support of the regional and international financial institutions and related development agencies, has contributed to the development of transportation and communication networks, trade, investment, tourism, education, public health, energy and environment. We take great pride in many such projects and hope that other partners will join us in expanding our cooperation in the future.

Lastly, I call for a more efficient mechanism to manage the mobilization of resources, to ensure that the existing and available resources are utilized in a manner that leads to the realization of the internationally agreed development goals. In pursuing such approach, it is imperative that the people are real beneficiaries in this inclusive development.

Mr. President,

This is the time we need global development cooperation that could help lifting up the forgotten "Bottom Billions" at the real bottom of the economic pyramid. It is the test of our generation which we cannot allow to fail.

Thank you
