

**Opening Remarks by
Mr. Panich Vikitsreth, Vice Minister for Foreign Affairs
at the 2nd OECD – Southeast Asia Regional Forum :
Enhancing Competitiveness through Regional Integration
Bangkok, 27 April 2009**

**Dr. Surin Pitsuwan, Secretary-General of ASEAN,
Mr. Mario Amano, Deputy Secretary-General of OECD
Distinguished Guests,
Ladies and Gentlemen,**

On behalf of the Royal Thai Government, it is my great pleasure to welcome all of you once again to the 2nd OECD–Southeast Asia Regional Forum. I wish to take this opportunity to express my sincere gratitude to the OECD team, the ASEAN Secretariat and the Asian Development Bank for their kind support to this important forum.

Southeast Asian region is blessed with diversified geographical features and cultural heritages. These diversities are manifested in numerous ways, including human resources, economic regimes and levels of economic development. The integration process of the ten Southeast Asian countries, both in Economic and Social dimensions, has been progressing for more than four decades. Finally last year, all ASEAN countries have ratified the ASEAN Charter that will be guiding us towards an ASEAN Community in 2015. However, development gap still exists and could be more pronounced due to the global economic and financial crisis. Against this backdrop, the convening of the second OECD – Southeast Asia Regional Forum is most appropriate and timely. We will together address looming economic challenges facing all of us and their impact on regional integration process. We will discuss with this eminent group of panelists on what can be done to foster our competitiveness, and most importantly, on how ASEAN and OECD can work together to mitigate the impact of the global financial crisis on our society, and to enhance investment, restore growth and create prosperity for all, in an equitable and sustainable manner.

Ladies and Gentlemen,

In face of the current global financial crisis, which, unlike the region-born crisis of 1997, is primarily externally driven, we strongly believe that Southeast Asia can offer valuable lessons and experiences to others. We also stand ready to help drive global recovery through our own strengths and resilience.

Nonetheless, this crisis is a global problem that requires a global solution. At the London Summit, my Prime Minister as the Chair of ASEAN put forward ASEAN's position on the Global Financial and Economic Crisis, pledging ASEAN's commitments against protectionism, ensuring freer flows of goods, services and capital, and facilitating movements of human resources, as we are on our way to-wards an ASEAN Economic Community by 2015.

Distinguished Guests,

Many ASEAN countries including Thailand are fortunate that our experience of the 1997 crisis obliged us to take necessary measures to pre-vent future crisis. These include the strengthening of our financial disciplines and corporate governance. As a result, our macroeconomic fundamentals are now stronger, with significant resilience to withstand the current financial crisis. Nevertheless, with the magnitude of the current crisis, our overall economy is inevitably affected.

As the ASEAN Chair, we have taken initiative, together with ASEAN members as well as plus three countries, namely People's Republic of China, Japan and Republic of Korea, in economic policy dialogue to deal with the current crisis. The ASEAN + 3 has agreed to strengthen our financial cooperation through the enhancement of Chiang Mai Initiative (CMI), by increasing the size of the Multilateralised Chiang Mai Initiative (CMIM) from 80 billion US dollars to 120 billion US dollars. Such initiative would ensure that the region has adequate fund to cope with the crisis. ASEAN countries are committed to further strengthen our cooperation in the Asian Bond Markets Initiative (ABMI) by promoting the issuance of local currency-denominated bonds in order to mobilize savings for investments in productive areas, particularly in infrastructure development.

As for Thailand, the Government has implemented expansionary fiscal policy and accommodating monetary policy in order to restore confidence and financial stability. The Government has put together a fiscal stimulus package to enhance purchasing power and stimulate domestic consumption while ensuring that the welfare of the people is addressed.

The repercussion of the crisis hit hardest on the poor. We, therefore, need to install social protection measures to cushion the vulnerable in every corner. The Thai Government has injected an additional 5.5 per cent of our fiscal budget for 2009 into the economy through a number of measures. They should, on the one hand, immediately increase income, such as cash hand-outs to low income earners, as well as monthly allowance for senior citizens. On the other hand, they help reduce the cost of living through the exemption of public transportation fee as well as the reduction of household expenses on electricity and water supply.

To cope with increase in unemployment, the Government initiated training programmes for 500,000 crisis-led unemployed labours in the industrial sector and for new graduates in order to enhance their skills to facilitate a shift in profession.

Besides, the Government attaches priority to public investment programme to improve both physical and social infrastructure aiming to promote longer term growth as well as domestic investment. This includes investment in quality education as the key to empowering our peoples. The Government aims to ensure every child an access to 15 years of free education, from kindergarten to secondary level.

Lastly, the Government is determined to maintain a conducive investment climate through enabling rules and regulations, including fair competition, strengthened corporate governance and transparency.

From what I have already mentioned, we particularly look forward to exchanging views and learning from the eminent experts during this meeting on these very important issues.

Ladies and Gentlemen,

Unfortunately, the Thai economy has also been affected by internal factors. From last year until recently, political instability and global economic crisis both took its heavy toll on the Thai economy. I wish to take this opportunity to reiterate the Government's determination to perform its duties in a fair and transparent manner, and in accordance with internationally accepted standards. The Royal Thai Government has always been committed to the principles of democracy, good governance, respect for justice and the rule of law, and inclusive political reform. With such determination, Thailand is back on track and ready to tackle all challenges lying ahead.

Distinguished Guests,

Before I conclude, I wish to reiterate the main objective of this important forum. As the host country, we are delighted and honoured to receive dedicated experts from all over the world to deliberate on future cooperation between OECD and ASEAN. ASEAN's goal is very clear. We want to make our peoples more secure, more prosperous and happier. On behalf of ASEAN, I can assure you that we stand ready to strengthen cooperation with regional and international organisations for this aim.

The convening of the second OECD – Southeast Asia Regional Forum today is most timely. The Forum reflects the ongoing process which ASEAN and OECD have come together to exchange views and experiences, and to pave way for a closer and sustainable partnership. Areas of cooperation between OECD and ASEAN shall include, for instance, investment, governance, anti-corruption, energy, trade, social safety net, poverty reduction, environment, and education. We should also enhance cooperation through the OECD Development Centre, which now has 3 members from Southeast Asia, namely, Vietnam, Indonesia and Thailand, in order to share and learn from each other valuable lessons in development practices.

Last but not least, I hope that the OECD-Southeast Asia Regional Forum will be held regularly. The Forum will help bridge the world through meaningful dialogues, and thus cultivate partnership between OECD and ASEAN based on mutual interests for the well-being of our peoples.

Thank you for your kind attention.
