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Formulation of the Financial Sector Master Plan: Phase II

Mr. Paiboon Kittisrikangwan, Senior Director of the Financial Institutions Strategy Department, Financial Institutions Policy Group, announced that the Financial Institutions Policy Board, on 29 June 2007, has approved the framework and process for formulating the Financial Sector Master Plan: Phase II. Implementation of the first phase of the Plan began in 2004 and was completed in the first quarter of this year.

The overarching objective of Phase II is to improve efficiency, competitiveness and resiliency of the Thai financial system in order to facilitate and support long-term economic growth. The objective of the plan will be achieved through policy measures under three main pillars.

1. Reducing operating costs stemming from overly restrictive regulations and approval process that hinder efficient operation of financial institutions.

2. Increasing competition by expanding business scope, enhancing the role of existing financial institutions and allowing entry of new players—whether they be domestic or foreign, bank or non-bank—that can bring value added to the system. Such deregulation and liberalisation process will be carefully sequenced and phased in line with the readiness of the financial system.

3. Strengthening institutional infrastructure to foster increased efficiency in the financial system. Key issues to be addressed include legal reforms, information system, risk management tools, human resource development, and consumer protection mechanism.

The Financial Institutions Policy Board has also approved the establishment of a Steering Committee for the drafting of Financial Sector Master Plan Phase II. The Committee will oversee the formulation process of the Plan, advise and comment on policy measures. The Committee consists of nine members, with Dr. Bandid Nijathaworn, Deputy Governor, (Financial Institutions Stability) acting as the Chairman of the Committee and Dr. Atchana Waiquamdee, Deputy Governor (Monetary Stability) a committee member. The other seven members are outside experts:

1. Mrs. Pannee Sathavarodom
2. Mr. Pravej Ongartsittigul
3. Mrs. Komkai Thusaranon
4. Dr. Ammar Siamwalla
5. Dr. Twatchai Yongkittikul
6. Dr. Pisit Leeahtam
7. Assoc. Prof. Nipon Poapongsakorn

The formulation of Financial Sector Master Plan: Phase II will require participation and input from key stakeholders in order to ensure that all the different perspectives and interests are duly taken into account. The draft of the Financial Sector Master Plan: Phase II is expected to be completed and made available for public comment by the first quarter of 2008.

Bank of Thailand

12 July 2007

Vision : A forward-looking organization with competent staff dedicated to ensuring the resilience of the Thai economy against shock and instability