



BANK OF THAILAND NEWS

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27th SEANZA Governors' Symposium and Meeting

The 27th SEANZA* Governors' Symposium and Meeting were hosted by the Bank of Thailand during 19-21 September 2008 in Bangkok, Thailand. Dr. Tarisa Watanagase, Governor of the Bank of Thailand, chaired the Symposium and Meeting. Governors and representatives of the twenty SEANZA member central banks, together with Mr. Jaime Caruana, Counsellor and Director of the Monetary and Capital Markets Department of the International Monetary Fund (IMF), participated in the Symposium under the theme "*The Changing Financial Environment and Implications for Central Banks.*"

The meeting recognized the urgency of the challenges facing central banks amidst the volatile global financial system. Members exchanged views on the major factors which have led to the recent economic and financial turmoil and implications on both regional growth prospects and financial stability. However, given the limited direct exposure, the effects on the region have been minimal.

While the events are still unfolding and all the lessons are yet to be crystallized, the meeting viewed that central banks should be more proactive going forward. On a technical level, policymakers need to be able to assess and measure risks more accurately in the face of increasingly complex financial products and sophisticated investment strategies. On a policy level, more innovative combinations of policy instruments should be used in addressing the imbalances. In particular, a traditional fiscal-monetary policy mix could be supplemented by prudential measures on financial institutions. This should not be implemented only during economic downturns, but also in upswings to preempt future potential imbalances. Members also underscored the need for closer cooperation among relevant economic agencies at domestic as well as international levels. In light of the rapidly changing environment, central banks in the region will need to remain vigilant and to stand ready to act decisively when needed, while bearing in mind their longer term goal of ensuring economic sustainability.

The meeting cordially accepted the offer of the Bank of Papua New Guinea to host the 28th SEANZA Governors' Symposium and Meeting in 2010.

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* SEANZA stands for Southeast Asia, New Zealand and Australia. Its members comprise central banks from Australia, Bangladesh, China, Hong Kong, India, Indonesia, Iran, Japan, Korea, Macao, Malaysia, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Singapore, Sri Lanka, and Thailand.