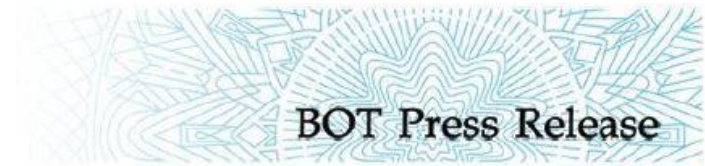




BANK OF THAILAND



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The Bank of Thailand's 3-Year Strategic Plan (2017-2019)

Mr. Veerathai Santiprabhob, Governor of the Bank of Thailand (BOT) announces that the BOT Board has approved the BOT's 3-Year Strategic Plan to set directions and scopes for BOT's operations for the years 2017 to 2019.

Looking ahead, the global economic and financial environment is likely to be more volatile, unstable, complex, and unpredictable, owing partly to structural problems and fragile global economic recovery. The Thai economy, meanwhile, is also in need of adjustments to boost competitiveness, lessen income inequality and household debt problems, and prepare for the transition towards ageing society and the digital economy. While technological advancements can critically help bring new opportunities and reduce costs for business and consumers, they can also change lifestyles, business models, and economic systems rapidly and unexpectedly. Amidst these challenges, key stakeholders expect that the BOT would ensure stability and foster the development of the economy in a well-balanced manner.

Given this environment, the BOT has formulated a strategic plan for the organization's operations for the coming 3 years, with the goal of laying the foundations for BOT's operations that will help promote stability along with sustained and inclusive growth of the Thai economy, in order to help promote Thailand's well-being.

The plan comprises of 3 key dimensions:

1. Stability, the core central banking mandate. The BOT shall unceasingly preserve monetary stability and financial stability through the enhancement of risk monitoring and surveillance capacity, together with preparations of a necessary set of policy tools that are ready for effective use. In addition, BOT shall promote greater efficiency of the exchange rate market, for example, through the revision of exchange control rules and regulations, and through measures that help businesses better manage their exchange rate risks. The BOT shall also take an active role in the collaboration with other pertinent regulators to set up a national financial stability framework. With regard to financial institutions stability, the BOT will continue to strengthen its supervisory role to keep up with new forms of risks, while ensuring that rules and regulations will not impede financial development and innovations. The BOT will ensure that financial institutions conduct proper risk management with regards to IT risks and cyber threats, in line with international standards. The BOT will also encourage the Thai financial

sector to ready itself for Financial Sector Assessment Program (FSAP). As for payment systems stability, emphasis will be placed on the upgrades of core payment system infrastructures to ensure safe and efficient operations, the preparations for a greater role of the BOT's operations in line with the forthcoming Payment Systems Act, and the expansion of the BOT's supervision to new areas of services, particularly mobile payment, that meet international standards to ensure consumer confidence.

2. Development The BOT will promote competition, innovation, and digital banking services among financial service providers (including FinTech), and will encourage a greater role for niche players to help narrow gaps in access to financial services. The BOT will also campaign for the development of interoperable common infrastructures, such as local debit card scheme, to ensure that service fees better reflect underlying cost structures. Another focus will be on the development of SME databases in order to help promote information based lending. These initiatives aim to help reduce overall costs in the system, which will help bring about cheaper, more inclusive, and fairer financial services. In addition, the BOT shall promote a more efficient financial connectivity, particularly with Cambodia, Laos, Myanmar, and Vietnam (CLMV), neighboring countries with high growth potential. This would provide greater ease of doing business and lower transaction costs for the private sector. In addition, the BOT shall step up its supervisory role with regards to market conduct of financial institutions in order to enhance financial consumer protection, and ensure that financial institutions provide financial services fairly. The BOT shall also systematically promote financial discipline, for example through the promotion of retirement savings, as well as the introduction of Debt Management Program. These initiatives should help foster a financial ecosystem that is in support of sustainable development.

3 Internal Excellence In order to successfully implement the Strategic Plan, it is necessary for the BOT to strive for greater modernization and agility in 5 key areas: (1) data system and analytics through the increase in capacity to analyze data at the micro level and to make a greater use of high frequency data from various sources, (2) research excellence through institution-wide production of in-depth research that supports policy formulation as well as recommendations of appropriate structural adjustments for the Thai economy and financial system, (3) human resource through the strengthening of the staff's capability and diversity, along with more flexible HR system that will strengthen their capacity to cope with new challenges, (4) organizational capability through improvements that will make the organization more flexible, work process more agile, and IT capability well enhanced, (5) stakeholders engagement through greater attention to feedbacks, strengthened collaborations, as well as clearer and more timely communications. The BOT will also launch a learning center to provide comprehensive knowledge about the economy and the financial system to the public.

In summary, this 3-year Strategic Plan will act as a compass to help guide the BOT towards the fulfillment of its mission amidst the challenges in the environment. The success of the journey will depend on clear execution process, strong commitments, and effective collaborations with stakeholders. The BOT's intention is that the success of this Strategic Plan will provide benefits to all, *"in the pursuit of Thailand's sustainable economic well-being."*

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