Thai Financial System Structure Bank Of Thailand

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Thailand and the World Bank
Routledge
This paper discusses recent developments, outlook and risk, and policies required for a long-lasting recovery of Thailand’s economy. Thailand remains resilient in the face of external and internal challenges. However, political uncertainty and structural bottlenecks cloud long-term prospects. The economy recovered in 2015 after a slowdown induced by political uncertainty. Public investment supported economic activity, particularly through community-based infrastructure projects. Monetary policy was eased in the face of below-target inflation. The credit cycle moderated, but household debt reached a historic high. Implementing high-quality fiscal stimulus, easing monetary policy, and safeguarding financial sector stability can strengthen long-term sustainability, equity, and efficiency of Thailand’s economy.
Financial Systems and Economic Policy in Developing Countries OUP Oxford
This Selected Issues report on Thailand discusses the rapid growth years of the country before and after the 1997 balance-of-payments crisis. The report discusses development of the crisis and the steps taken to normalize the situation; credit growth before and after the crisis; public debt dynamics in the aftermath of the crisis; export performance before and after the crisis; and an analysis of the role of fiscal policy that led to the 1997 crisis. The report also highlights weaknesses that were threatening the sustainability of Thailand's economic growth.
Thailand Institute of Southeast Asian Studies
Rehabilitating the financial institutions that were failing in 1984 appears to have cost the Thai government no more than closing them down and paying off depositors would have cost. In a situation like this, authorities must make a tradeoff between preserving the financial system's well- being and being able to hold managers of failed institutions accountable for their failure.
Thailand UN-HABITAT
The Routledge Handbook of Banking and Finance in Asia brings together leading scholars, policymakers, and practitioners to provide a comprehensive and cutting-edge guide to Asia’s financial institutions, markets, and systems. Part I provides a

country-by-country overview of banking and finance in East, Southeast, and South Asia, including examples from China, Japan, Hong Kong, India, and Singapore. Part II contains thematic chapters, covering topics such as commercial banking, development banking, infrastructure finance, stock markets, insurance, and sovereign wealth funds. It also includes examinations of banking regulation and supervision, and analyses of macroprudential regulation, capital flow management measures, and monetary policy. Finally, it provides new insights into topical issues such as SME, green, and Islamic finance. This handbook is an essential resource for scholars and students of Asian economics and finance and for professionals working in financial markets in Asia.

Finance, Governance and Economic Performance in Pacific and South East Asia International Monetary Fund

This Financial System Stability Assessment paper on Thailand highlights that assets of the insurance and mutual fund sectors have doubled as a share of gross domestic product over the last decade, and capital markets are largely on par with regional peers. The report discusses significant slowdown in China and advanced economies, a sharp rise in risk premia, and entrenched low inflation would adversely impact the financial system. Stress tests results suggest that the banking sector is resilient to severe shocks and that systemic and contagion risks stemming from interlinkages are limited. Financial system oversight is generally strong, but the operational independence of supervisory agencies can be strengthened further. The operational independence of supervisory agencies can be strengthened further by reducing the involvement of the Ministry of Finance in prudential issues and ensuring that each agency has full control over decisions that lie within its areas of responsibility.

Distressed Financial Institutions in Thailand International Monetary Fund

In light of the Asian financial crisis of 1997, Lai examines whether East Asian economies converged onto the liberal market model by studying the evolution of the financial sectors of Korea, Malaysia and Thailand. This includes sectoral diversification, the nature of competition, and the regulatory and supervisory frameworks.

Financial Big Bang in Asia Peter Lang Publishing

November 1998 Weaknesses in corporate governance and the fragile financial structure of many corporations contributed to, and deepened Thailand's recent financial crisis. Large corporations need to reduce their vulnerability to economic shocks and improve corporate governance; smaller firms should achieve a more stable funding structure. Alba, Claessens, and Djankov assess Thailand's policy options for reducing large corporations' vulnerability to economic shocks and improving their corporate governance - and for providing smaller firms a more stable funding structure. Using data for firms listed on Thailand's stock exchange, they empirically assess the relative importance of various factors determining the cost of capital, the availability of financing, and policies and distortions that affect corporate governance in nonfinancial firms. The empirical findings highlight weaknesses in corporate governance and the inherent risks in Thailand's corporate financing structures. They conclude that the most important ask in improving the structure of corporate financing and the framework for corporate governance is to change incentives. This will involve: * Accelerating legal reform, including reform of bankruptcy and foreclosure laws. * Improving bank monitoring of enterprise management and encouraging banks to develop more arm's-length relationships with firms. This will require greater transparency and disclosure of ownership relationships and stricter enforcement of insider and related lending limits, violation of which contributed poor intermediation and the recent crisis. * Improving disclosure and accounting practices. Self-regulatory agencies may need to play more of a role, possibly with more legal power to discipline violators. * Better enforcement of corporate governance rules. The formal structure for corporate governance is standard but enforcement is weak. * Facilitation of equity infusions. Investors - especially minority shareholders - may need to play a more direct role in monitoring and disciplining managers. To attract new infusions of equity, new equity owners may need more-than-proportional representation on the board of directors until other investor protection mechanisms are strengthened. * Improving the framework for corporate governance. A broad public discussion of corporate governance, similar to recent discussions in the United Kingdom and elsewhere, may be needed to clarify the distribution of control in the economy's real sector. * Strengthening institutions responsible for gathering and analyzing data on firms of all sizes and for monitoring firm performance and behavior. This paper-a product of the Economic Policy Unit, Finance, Private Sector, and Infrastructure Network-is part of a larger effort in the network to study the performance and financing structures of East Asian corporations.

Thailand World Bank Publications

Unique in its approach and in the variety of methods and data employed, this book is the first of its kind to provide an in-depth evaluation of the financial system of Thailand, a proto-typical Asian developing economy. Using a wealth of primary source qualitative and quantitative data, including survey data collected by the author, it evaluates the impact of specific financial institutions, markets for credit and insurance, and government policies on growth, inequality, and poverty at the macro, regional, and village level in Thailand. Useful not only as a guide to the Thai economy but more importantly as a means of assessing the impact that financial institutions and policy variation can have at the macro- and micro-level, including the distribution of gains and losses, this book will be invaluable to academics and policymakers with an interest in development finance.

Lessons Learned from Thailand's Experience with Financial-sector Restructuring International Monetary Fund

World Bank Discussion Paper No. 345. Focuses on financial sector reforms in the Czech Republic, Hungary, Poland, the Slovak Republic, and Slovenia and provides a detailed assessment of where each country stands relative to European Union requirements for financial sector integration. The paper reviews current trends and changes in the countries' banking systems, the development of their capital markets, and the effects of changes in their legal and regulatory systems on banking supervision.

Housing Finance Mechanisms in Thailand NIAS Press

The Thai financial system faced a crisis in 1983. Weak managerial practices and an inadequate legal and regulatory framework were associated with a gradual deterioration in many financial institutions' balance sheets; these weaknesses were brought to the fore by a sharp economic downturn in the first half of the 1980s. The Thai authorities took a number of measures to maintain stability in the financial system and to restructure insolvent financial institutions, including a substantial strengthening in the legal and regulatory framework. The crisis has impacted on the government budget deficit and caused shifts in the demand for financial aggregates and the supply of reserve money.

Thailand's Macroeconomic Miracle International Monetary Fund

Thailand's economic crisis in 1997 was fundamentally one of private sector debt, rooted in private behavior that affected the magnitude and composition of investment and how it was financed. Thailand's crisis provides further evidence that financial liberalization must be carefully managed because, by increasing competition, it lowers the franchise value of existing financial institutions and creates incentives for unsound banking practices.Alba, Hernandez, and Klingebiel examine Thailand's macroeconomy and micro-economy for the period 1988-97 to assess the extent to which the country's mix of macroeconomic and financial sector policies contributed to its economic crisis in 1997.They conclude that the crisis was fundamentally one of private sector debt, rooted in private behavior that affected the magnitude and composition of investment and how it was financed.Unlike the Latin American debt crisis, the Thai crisis was not caused by excessive sovereign borrowing.Financial sector weaknesses - including inadequate regulation and supervision, implicit deposit insurance, concentrated ownership structures, and poor accounting and disclosure - combined with liberalization of the financial sector and capital accounts, increased vulnerability by creating incentives for risk-taking by financial institutions.Many macroeconomic fundamentals were strong, but the combination of tight monetary policy and an inflexible exchange rate created strong incentives for residents to expose themselves to excessive foreign exchange and liquidity risks.Weak corporate governance, including close corporate links to the banking sector, encouraged risky investments and overdiversification in the corporate sector.This paper - a joint product of the Economic Policy Division, Poverty Reduction and Economic Management Network, and the Financial Sector Strategy and Policy Department - is part of a collaborative effort with the Asian Development Bank to understand the management of private capital flows in Asia. The authors may be contacted at palba@worldbank.org, lhernand@condor.bcentral.cl, or dklingebiel@worldbank.org.

<u>Financial Liberalization and the Capital Account</u> Edward Elgar Publishing

This paper discusses key findings of the Financial System Stability Assessment (FSSA) on Thailand. The assessment reveals that the soundness of Thailand's financial system has been strengthened since the financial crisis of the late 1990s. Substantial progress has been made in upgrading the regulatory and supervisory system and improving macroeconomic management. Banking fundamentals have strengthened, with most Thai banks reporting high levels of capital and solid profitability. Private corporations, which are the banks' primary borrowers, have also strengthened their balance sheets and reduced leverage.

Financial Liberalization and the Capital Account Springer

This book takes as its focus the current supervisory and regulatory framework for bank supervision in Thailand and the Thai authorities' efforts to modernise and restructure the Thai banking system. It examines the obstacles to this restructuring, which include the current economic difficulties in Thailand and the East Asia region as well as more fundamental historical, cultural and socio-economic factors that underpin Thai society. The book looks at the numerous banking statutes put in place in Thailand in the past sixty years, including legislation of the 1980s in response to problems involving fraud, insider dealing and solvency concerns. It examines how historically ambiguous structures of governmental responsibility and power, and a heavy emphasis on government discretion in regulation, have so far inhibited the effectiveness of this extensive body of legislation in developing a sound modern banking system. There follows an in-depth analysis of the 1997-1998 Thai Banking Crisis and ways in which lessons can be learned to avoid similar crises in future. The author argues for a greater degree of transparency in the regulatory process to bring it into line with internationally accepted standards, for increased supervisory implementation and enforcement by Thai governmental authorities, and for the ultimate depoliticisation of the bank regulatory and supervisory processes.

Sequencing Financial Sector Reforms International Monetary Fund

This Detailed Assessment of Observance on the Basel Core Principles (BCP) for effective banking supervision on Thailand highlights that there have been significant enhancements to the legal framework and the supervisory process since the last BCP review, resulting in high compliance. The commercial banking sector appears to be sound and stable with a diversified lending profile and a steady source of funding. The involvement of other ministerial authorities in Specialized Financial Institutions supervision may affect standard-setting processes and the mindset of key decision makers for commercial banks when trying to level regulatory standards. The supervisory framework and practices provide the foundation for the continued development of risk-based supervision. Notifications and examination manuals increasingly focus on analysis of qualitative factors such as governance, risk management and risk appetite statements to determine the bank’s composite rating. The report recommends that efficiency of enforcement actions would be increased by aligning Financial Institutions Business Act requirements and Bank of Thailand internal practices.

Banks, Financial Development and Regional Growth Greenwood

How well Thailand's financial sector can provide the investible funds demanded by the country's current boom depends partly on its ability to mobilize savings - through official policy on credit allocation and through the movement of capital internationally.

Finance in Asia Routledge

Selected Issues

The Internationalization of Financial Services in Asia Springer

This title was first published in 2001. The east Asian economies enjoyed "miraculous" economic growth in the 1990s, and were expected to prosper into the 21st century. However, this was not to be, there was a financial crash in the summer of 1997. The crisis spread from Thailand to the ASEAN economies, and then by the autumn it had reached the northeast Asian economies. Discussions on the causes of the crisis cover a wide variety of possible culprits: hedge funds, foreign exchange policy, dependence on foreign capital, bubble economies, corporate governance, underdeveloped financial markets, and so on. This book focuses on the Asian financial crisi from the long-term perspective of development of financial reform in Asia. The purpose of this book is to analyze and assess the financial crisis in the different Asian economies by comparing them from the point of view of long-run financial system reform, and to consider the future prospects of financial reform in Asia.

Financial Structures and Monetary Policies in Southeast Asia International Monetary Fund

Thailand's economic crisis in 1997 was fundamentally one of private sector debt, rooted in private behavior that affected the magnitude and composition of investment and how it was financed. Thailand's crisis provides further evidence that financial liberalization must be carefully managed because, by increasing competition, it lowers the franchise value of existing financial institutions and creates incentives for unsound banking

practices.

Financial Development in Thailand and Other Developing Countries Routledge
This book by Hassanali Mehran, Bernard Laurens, and Marc Quintyn brings together the papers presented at a seminar held in Beijing, China, in August 1995 and sponsored jointly by the IMF's Monetary and Exchange Affairs Department and the Poeple's Bank of China. The papers were written by central bankers from China, Italy, Korea, Malaysia, Thailand, and Turkey. The Chinese authorities were specifically interested in learning more about the Italian and Turkish models of interbank markets and in the experiences of neighboring Asian countries with interest rate liberalization. The U.S. experience was also presented, and the introduction to the book draws policy lessons from the experiences presented at the seminar.

Financial Structure and Economic Growth Peter Lang Gmbh, Internationaler Verlag Der Wissenschaften
Description and analysis of the financial structure in Thailand. The author recommends modifications and reforms therein, stressing that in the future greater emphasis must be placed on developing a viable Thai manufacturing base with less stress on the financing of trade.