

# NEWS BRIEF

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Thailand's Recent Economic Performance  
Discussed in New IMF Occasional Paper

Thailand's economic performance over the past several decades is an excellent example of successful development that combines adjustment with growth, according to Occasional Paper No. 85, *Thailand: Adjusting to Success--Current Policy Issues*, by David Robinson, Yangho Byeon, and Ranjit Teja with Wanda Tseng of the IMF Asian Department.

Though Thailand was hit hard in the early 1980's by global recession and a fall in commodity prices, Thai policymakers responded promptly and pragmatically to restore macroeconomic balance. This enabled the economy to benefit from the improved international environment by 1986. Since then, Thailand's sustained economic boom, spurred by rapid increases in investment and exports, has been spectacular even by the standards of a region renowned for its economic dynamism.

Three factors predominate in Thailand's recent economic success according to the analysis: a commitment to an outward-oriented, market-based economic system; emphasis on the private sector; and cautious financial policies. This success, however, has increasingly strained the economy with infrastructural bottlenecks, a larger current account deficit, and growing inflation. Thai policymakers are now challenged to sustain the momentum while controlling demand pressures. This will require greater infrastructural investment in physical and human capital, and greater domestic savings. Of increasing concern to policymakers are quality of growth issues, such as environmental and income distribution problems.

Thailand is the site of the Annual Meetings of the Board of Governors of the International Monetary Fund and the World Bank, October 15-17, 1991.

Occasional Paper No. 85 is based largely on documentation prepared for the IMF's 1991 Article IV consultation with Thailand. Copies are available to members of the press from the IMF's Information Division (tel. 202-623-7100). Copies are also available for purchase by the public from the IMF's Publication Services (tel. 202-623-7430); they are priced at \$10.00 each.