



BANK OF THAILAND

Comments on ASEAN Financial Integration and RMB Internationalization

Pariwat Kanithasen
Bank of Thailand

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As ASEAN aims to establish a “Single Market and Production Base”, there is a need for Financial Integration to support real economic integration

ASEAN Economic Community by 2015

*Free flow of
Goods*

*Free flow of
Services*

*Free flow of
Investment*

*Free flow of
Skilled
Labor*

Support

ASEAN Financial Integration by 2020 (Semi-Integrated)

Financial Services Liberalization

Capital Market Development

Capital Account Liberalization

Payment and Settlement Systems



Key areas of ASEAN Financial Integration

Financial Services Liberalization

- Liberalizing cross-border banking and insurance sectors through:
 1. Qualified ASEAN Banks (QABs)
 2. Framework and timelines for insurance sector integration.

Capital Market Development

- Linking and developing ASEAN equity and bond markets.
- Three equity markets (Bangkok, Kuala Lumpur and Singapore) have been linked since 2013 under 'ASEAN Trading Link'.

Capital Account Liberalization

- Liberalizing capital movements consistent with individual national agendas, while allowing safeguards against risks.
- Emerging market members are now focusing on liberalizing portfolio outflows

Payment and Settlement Systems

- Fostering integrated, safe, and efficient systems in areas of:
 1. Trade Settlement
 2. Money Remittance
 3. Retail Payment
 4. Capital Market Settlement
 5. Standardization



Breadth and Depth of Regional Economic Architecture



ASEAN

- ASEAN Economic Community
- ASEAN Financial Integration



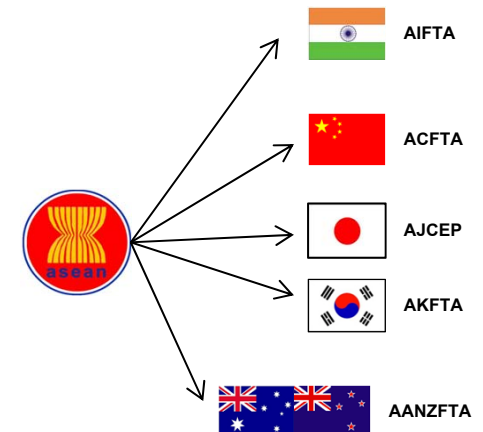
ASEAN+3

- **Chiang Mai Initiative Multilateralization**
 - ✓ 240 Billion USD
 - ✓ 30% Delinked Portion
 - ✓ Precautionary Line



ASEAN+6

- ASEAN+6 bilateral Free Trade Agreements (FTAs)
- Regional Comprehensive Economic Partnership (RCEP)

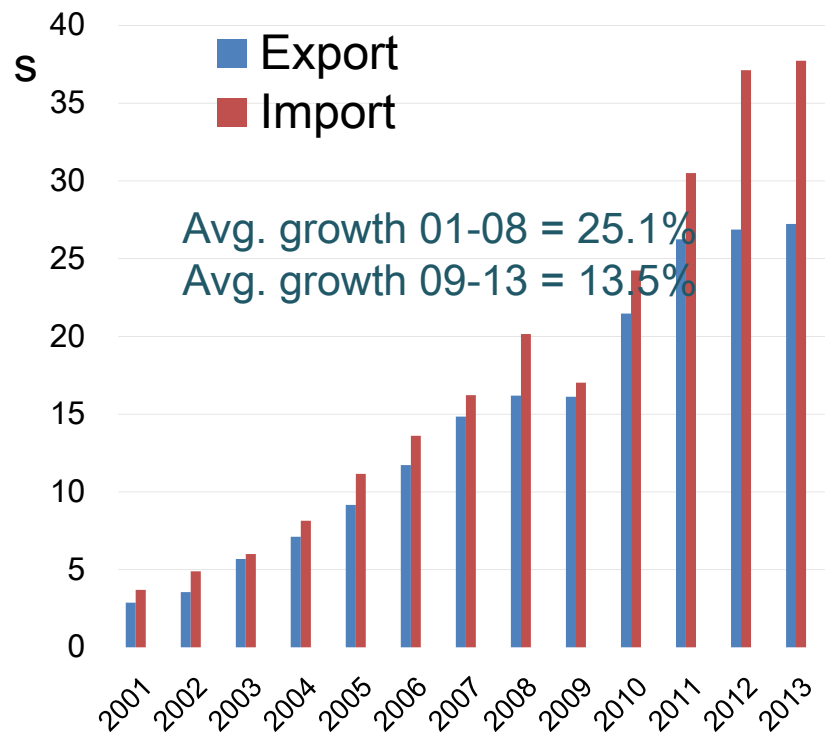




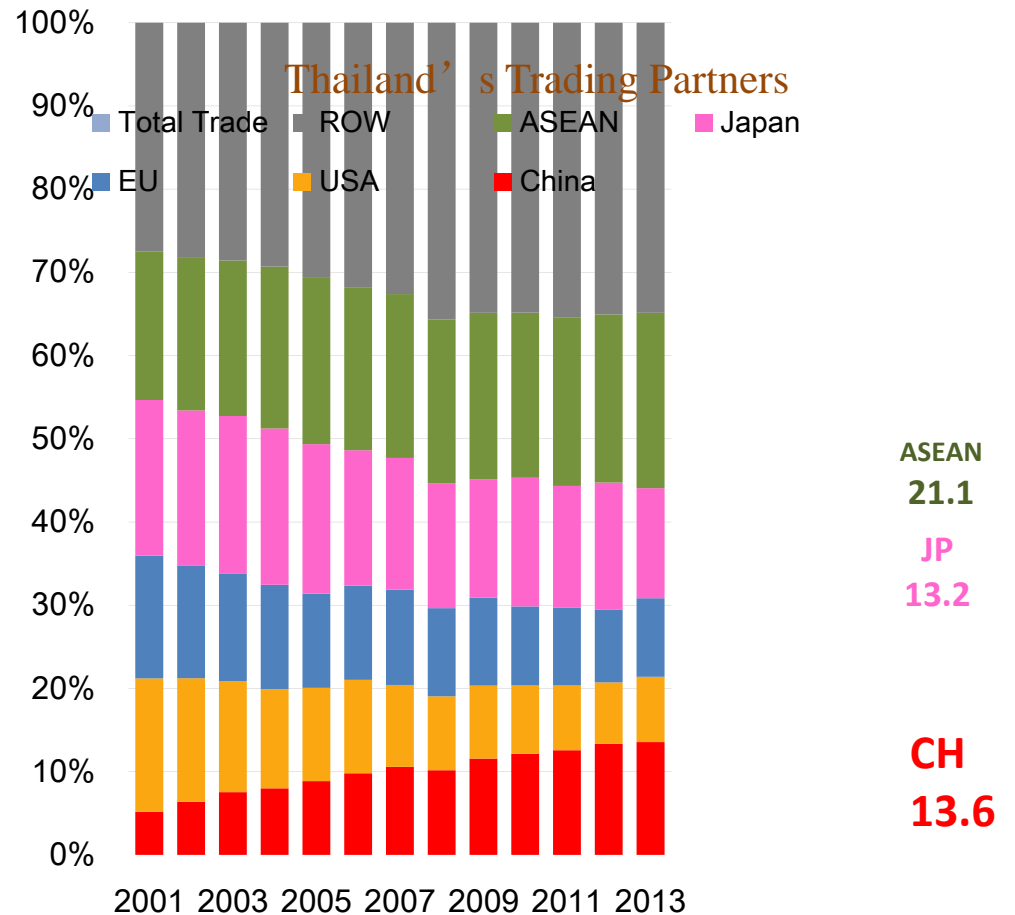
Thailand's Trade with China has been continuously increasing

เพิ่มขึ้นต่อเนื่อง

Thailand-China Trade



Source: Bank of Thailand

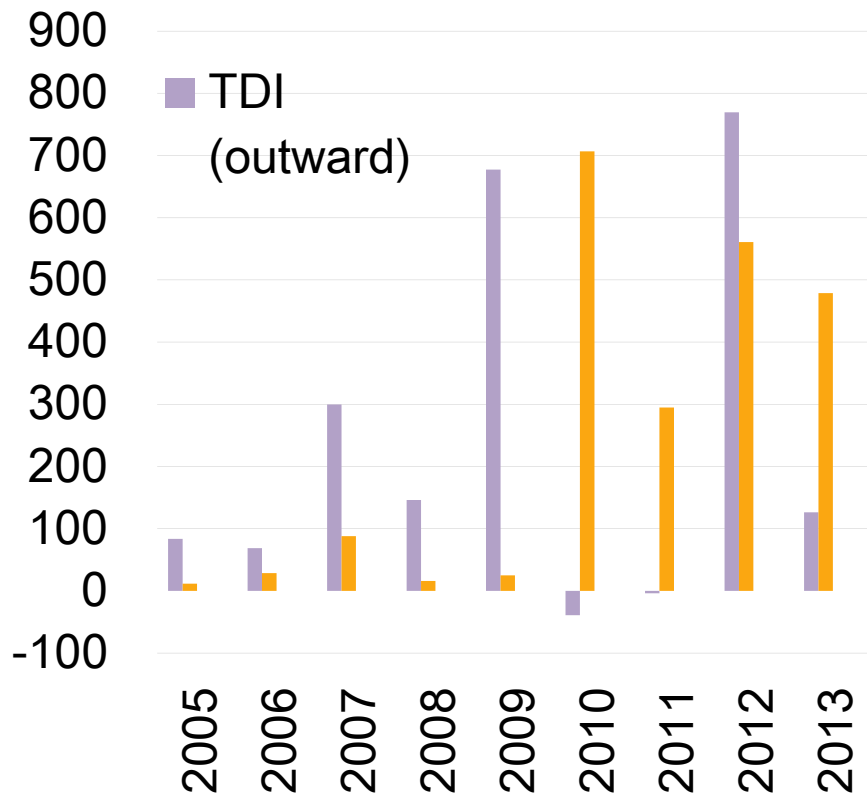


Source: Bank of Thailand



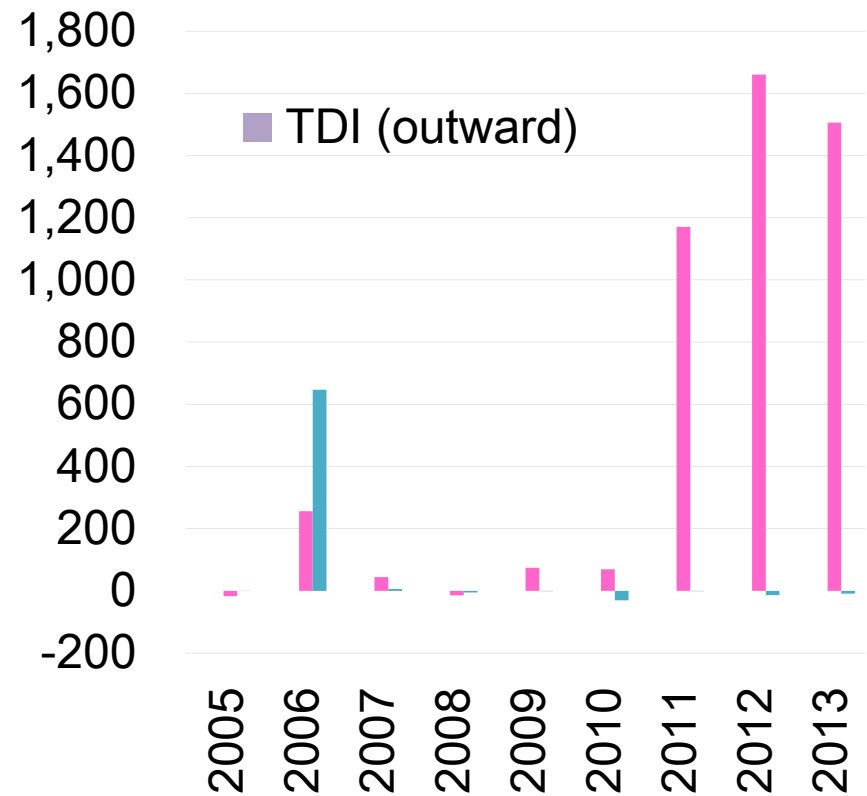
..and so have investment flows

Thailand-China FDI Flows



Source: Bank of Thailand

Thailand-China FPI Flows



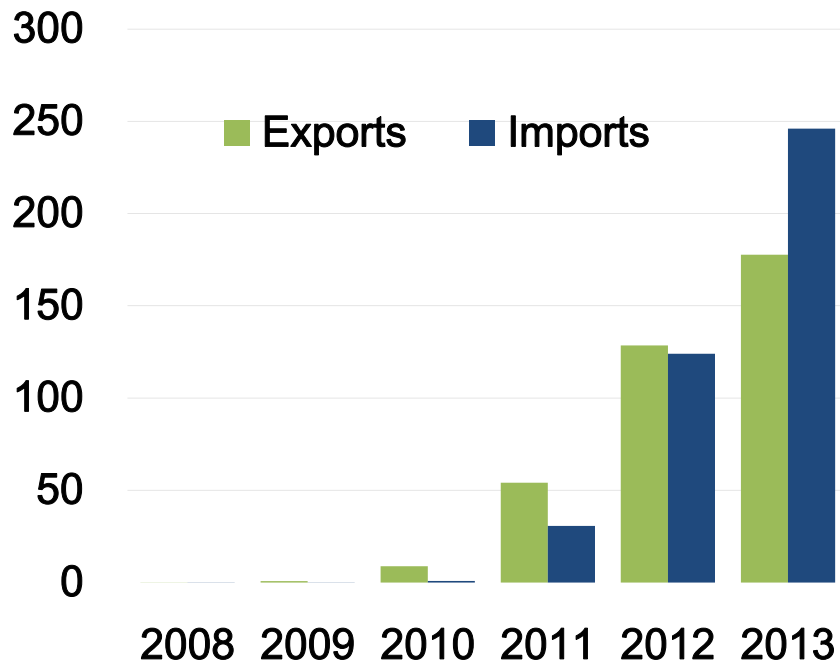
Source: Bank of Thailand



RMB Internationalization

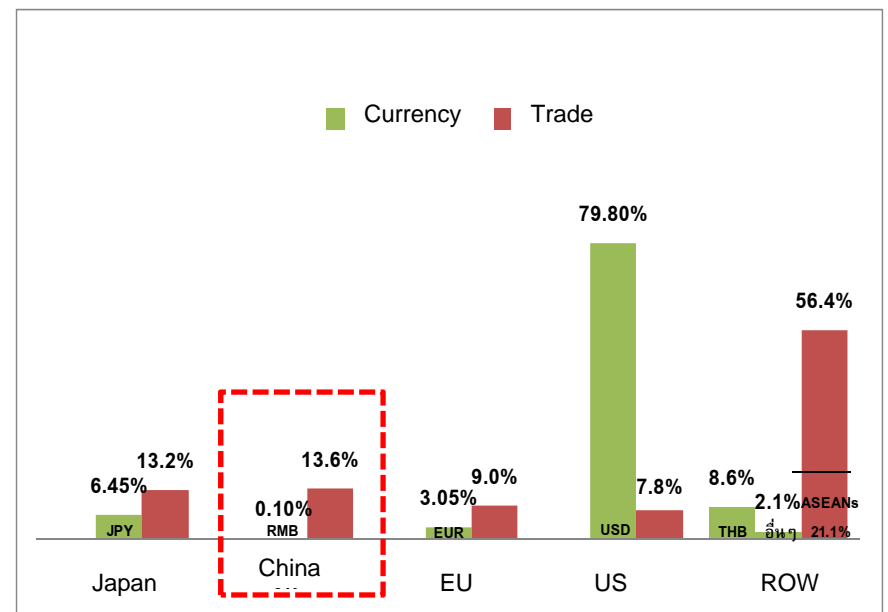
While RMB use in trade have increased, there is much room for growth

RMB Use in Trade Settlements



Source: Bank of Thailand

Trade Settlement Currencies (2013)



Source: Bank of Thailand