

## Welcome remarks

Prasarn Trairatvorakul<sup>1</sup>

Mr Jaime Caruana, General Manager of the BIS, Distinguished Participants, Ladies and Gentlemen:

It is a pleasure to extend my warmest welcome to all of our distinguished participants to Chiang Mai. The Bank of Thailand is honoured to have the opportunity to co-host the Research Conference with the BIS on the most topical and timely issue of “Central Bank Balance Sheets in Asia and the Pacific: The Policy Challenges Ahead”.

The global financial crisis prompted central banks in major advanced economies to undertake unprecedented policy actions that not only tremendously expanded the size of their balance sheets, but also dramatically changed their composition. With a few exceptions, the central banks of Asia and the Pacific did not need to move beyond traditional policy tools during this time. That said, our experience with policy actions that entail similar impact on central bank balance sheets predates the global financial crisis. For much of the second half of the last decade, several central banks in the region have seen rapid expansions of their balance sheets as foreign reserves were built up steadily. While the primary intention of the policy actions differ, the end result in terms of balance sheet impacts are quite similar to the broad spectrum of unconventional policies undertaken by the major central banks recently. As such, I believe there is much to share and discuss in terms of our mutual experiences with such policies. One of the most prominent issues that we have all faced is the political economy challenges that come with substantial run-ups in our balance sheets, not only in terms of prospective losses but also in terms of pressure to mobilize central bank resources in order to support targeted constituents.

Against this backdrop, the Conference today provides an opportunity for in-depth discussions on these very important challenges for the purpose of (1) better understanding the implications of unconventional policies for central bank balance sheets and (2) discussing the lessons learnt, in terms of both the effectiveness of the policy options and the possible spillover effects. The discussions are even more pertinent to Asia as we deepen our economic and financial integration – of course not to the extent of, or as ambitiously as, Europe.

I would like to thank the BIS Representative Office for Asia and the Pacific for their continued support and contribution to the central banking community of Asia and the Pacific. I am confident that the policy implications drawn from debates today between leading academics and experienced central bankers will provide a basis for our deeper understanding and preparation for future challenges, regionally and globally.

I wish you fruitful discussions and a successful conference.

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