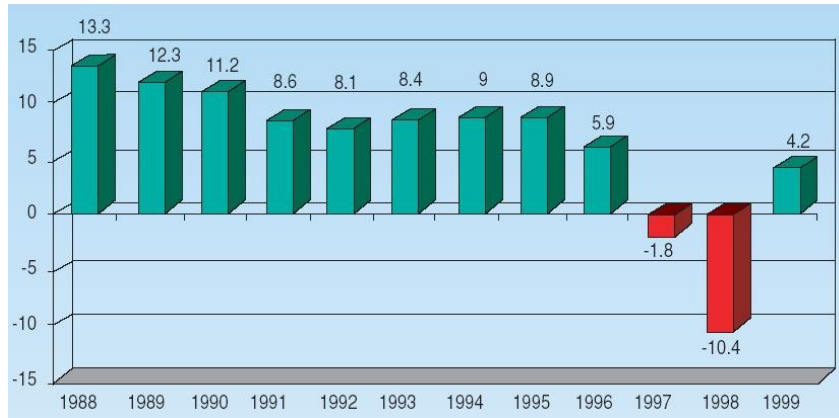


Thailand Macroeconomic Framework

Economic Growth Rate (Percent)



The Thai economy experienced high annual growth rate, averaging 9.6 percent for many years. The economy then faced with the economic and financial crisis in 1997-1998 which led to a contraction of the growth rate by 1.8 and 10.4 percent in 1997 and 1998, respectively. However, after the government has implemented various measures to revive the economy, the Thai economy has returned to a positive growth rate since the first quarter of 1999. GDP growth rate in the first quarter and the second quarter of 2000 was 5.2 percent and 6.6 percent, respectively.

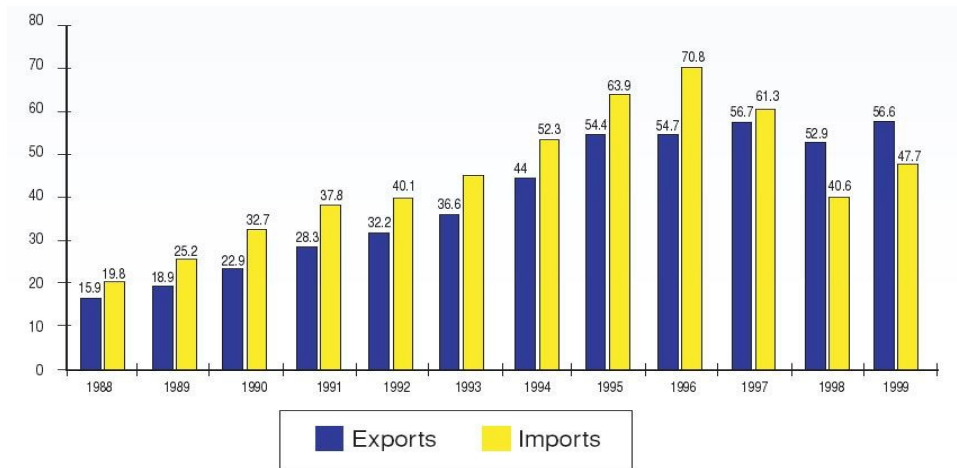
Inflation (Percent)



Prior to the crisis, Thailand's inflation rate averaged 5 percent. The inflation rate jumped to 8.1 percent in 1998 due to the depreciation of the baht. However, in 1999, the inflation rate declined to 0.3 percent as a result of the reduction of VAT from 10 percent to 7 percent, the stabilization of the baht, and the reduction of energy prices. In the near future, the Bank of Thailand will be adopting the Inflation Targeting approach in which

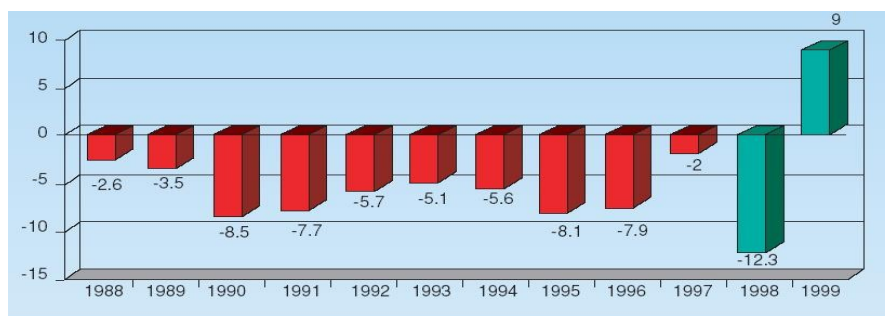
the range of inflation rate will be set in advance. The Bank of Thailand will use financial instruments such as interest rate to control the inflation rate so as to meet the target.

Exports and Imports (billion of US dollars)

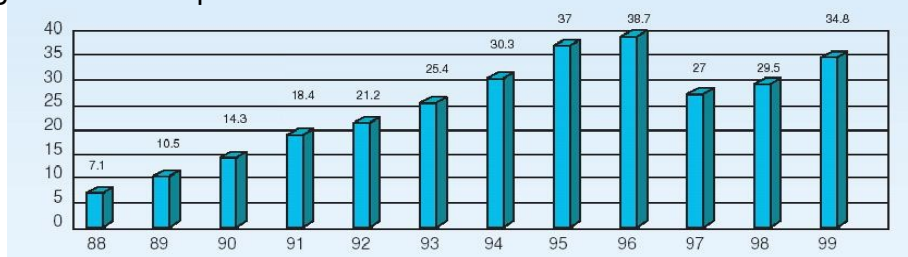


Exports expanded continuously in 1980s and early 1990s. The weak sign of exports occurs in 1996 where the export growth in dollars term contracted by 1.9 percent. In 1998, which is the mid-crisis period, amount of export figure was down by 6.8 percent. However, as the economic situation was improving, the export growth went into reverse in 1999. Exports in the first six months of 2000 also increased by 21.1 percent from the same period last year. The economy also experienced import growth throughout the 1990s due to continued economic expansion. However, in 1997-1998, we experienced negative import growth for the first time due to economic crisis, but with the clear sign of economic recovery, import growth started to pick up in 1999 and is expected to continue to rise.

Current Account (% of GDP)

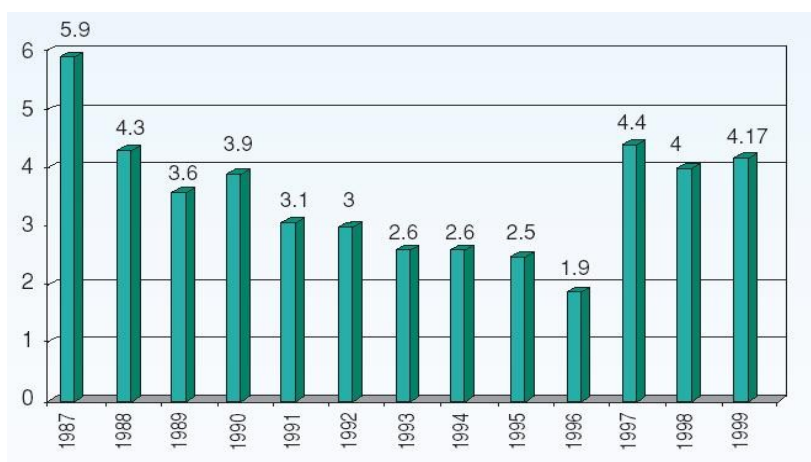


The current account was in deficit for many years. Yet it improved gradually since the outbreak of the economic crisis, switching from deficit to surplus. However, the magnitude of surplus has become smaller as a result of an increase in imports.



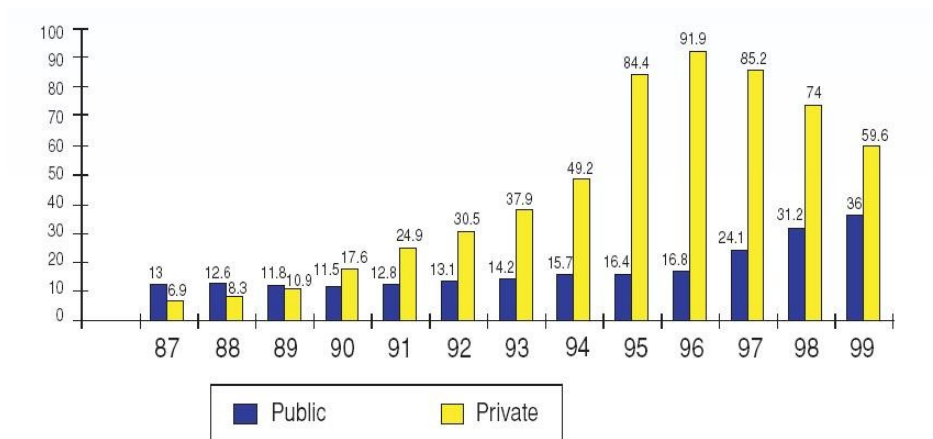
Thailand's international reserve increased accumulatively and peaked at US\$ 38.7 billion in 1996. The international reserve depleted sharply in 1997 due to the Bank of Thailand's defending of the Thai baht in 1997. However, the international reserve has been built up since then.

Unemployment (Percent)



Prior to the crisis, unemployment rate averaged 3 percent. The economic downturn led to a significant increase in unemployment rate. The unemployment rate rose from 1.51 percent in 1997 to 4.37 percent in 1998. However, the Second Round Survey on Employment Situation in May 2000 shows that the number of employed people increased. As a result, the unemployment rate decreased from 5.33 percent in May 1999 to 4.24 percent in May 2000.

External Debt (billion of US dollars)



Since Thailand has liberalized the financial sector, private debt rose considerably, especially through the BIBF operations. In 1996, the private debt peaked at US\$ 91.9 billion.

In contrast, the public debt remained low, averaging US\$ 15 billion. However, the composition of external debt changed since the economic crisis broke out in 1997. The private debt started to decline while the public debt increased significantly. However, several measures have been taken to cope with such increase in public debt so as to ensure fiscal sustainability.