

## **Recovery still four, five years away: ex-PM Anand**

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Former prime minister Anand Panyarachun predicted yesterday it would take four or five more years for Thailand to fully recover from the economic crisis, and advised the political leadership to "balance hope and vision with reality".

Giving a speech on "Thailand in Anand's Opinion" at a charity dinner organised by the alumni association of the National Defence College, the former prime minister expressed mixed feelings about the progress of the country's political reform and called on the nation to quickly pull itself together to cope with a gloomy economic outlook.

The government, in particular, must "do more homework, listen more and pay less attention to vested interests," he said.

Anand voiced concern about over-capacity in several Thai industries, the liquidity trap in the banking sector, and inadequate debt restructuring of financial institutions. "Our debt restructuring is not debt restructuring as such. It's more of debt rescheduling in most cases," he said.

The over-capacity will weaken Thailand's competitiveness "at a time when international competition has been heating up every minute."

Several industrial sectors such as steel and paper require restructuring to reduce excess capacity, Anand said, noting that while Japan has two major steel manufacturers, Thailand has about 30.

"Without rationalisation, the survival chances of some of our industries are slim," he said.

Reiterating that he was only expressing his opinion and did not have complete economic data, Anand predicted that with the global economic slowdown and fall-out from the terrorist attacks on the United States, it would take four or five more years for Thailand to recover from the current economic crisis.

To get Thailand out of the crisis, "it's not wrong [for political leaders] to have hope and vision", Anand said. "But reality must be always weighed against them, or any vision can easily turn into a daydream."

On political reform, Anand hailed three major phenomena which have taken place since the 1992 pro-democracy uprising - the drastically reduced role of the military in politics, democratic changes of government and ever-increasing public willingness to get involved in the political process.

"But while soldiers have left politics, have they left vested business interests? And while politicians surrendered to the 1997 Constitution, they haven't changed their

thinking. The selection process for members of key constitutional independent bodies still provides loopholes for unscrupulous things to happen," he said.

Anand stressed the importance of a free media and deplored the fact that the military and the state are still controlling major media outlets.

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