

a few new electrical wires, and hope for the best. Bad times, after all, may come back again as quickly as the arrival of the present good times.

Belatedly, however, and under a good deal of Japanese and other foreign investors' prodding, the government now appears ready to believe in its own and the country's economic success and to initiate urgently needed larger infrastructure and manpower development undertakings. Japan's ambassador to Bangkok, Hisahiko Okazaki, stated in a recent interview that the Thai economy might grow to three times its present size by the end of the century, and that the Japanese government is prepared to assist with the required infrastructure buildup. Still, the bulk of the necessary development financing will have to come out of the government budget, and budgetary provisions for fiscal year 1990 compared to FY1989, show substantial increases in relevant categories. For example: science and technology was up 247%, to a total of \$125 million; transport and communications was up 40%, to a total of \$830 million; education was up 25%, to a total of \$2.45 billion; and the Eastern Seaboard Development Project (including development of two deep-sea ports) was up 99%, to a total of \$56 million.

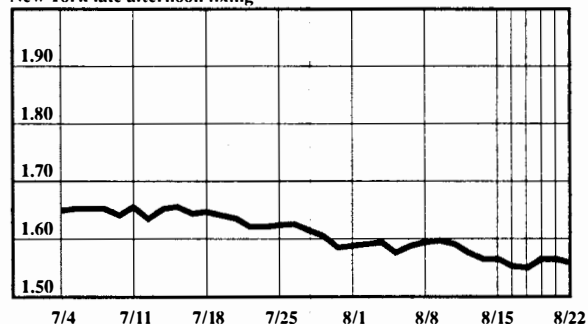
The most urgent and simultaneously most controversial infrastructure development area remains energy. Installed electricity generating capacity will have to double between 1990 and 1995—to about 15,000 Mw—to keep up even with conservative demand forecasts. Since the early 1980s, Thailand has rapidly developed its lignite resources in the north and several natural gas fields in the Gulf of Thailand to save on imported oil for electricity generation. But much as the country's hydroelectric potential (not counting the vast Mekong potential), these resources, natural gas in particular, are now reaching the limit of their further exploitation for energy development with the eastern seaboard petrochemical complexes coming on line. Ironically, between 1976 and 1988, Thailand spent over \$3 billion on oil imports for electricity generation. Had these funds been applied to nuclear energy development as planned in the early 1970s, much of the country's present electricity needs could now be supplied by nuclear power plants. Today, in the southern, eastern, and central regions, nuclear power remains the only long-term answer, while in the north, pending agreement with Burma, the 6-7,000 Mw Salween River hydroelectric project could be developed for joint Thai-Burmese use. For the northeast, pending—and perhaps as part of—settlement of the Indochina conflict, the Pa Mong dam would solve the region's energy problems well into the next century.

Earlier this year, officials of the prime minister's office, of the Office of Atomic Energy for Peace (OAEP), and of EGAT began to urge nuclear energy development. In June, EGAT announced plans for a public relations campaign to promote understanding of nuclear power. With Indonesia already having drawn up plans for 10 nuclear power stations throughout the country, Thailand may soon follow suit.

## Currency Rates

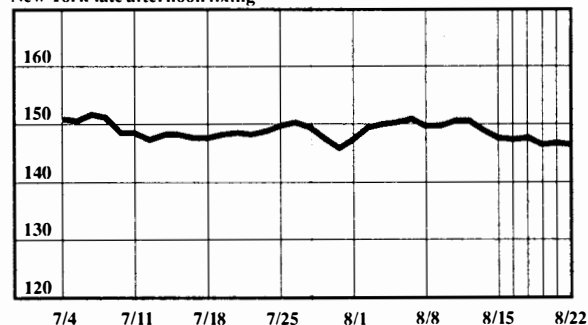
The dollar in deutschemarks

New York late afternoon fixing



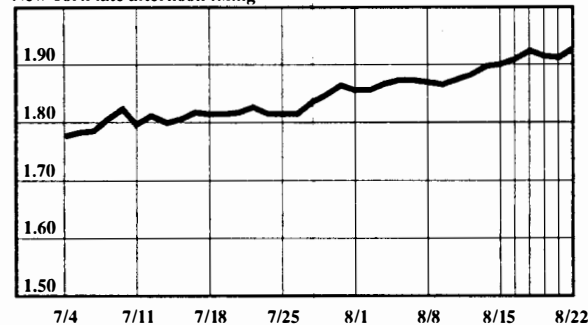
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

