

Silicon Valley Bank's failure unlikely to affect the Financial System of Thailand



The Ministry of Finance of Thailand had taken a keen interest in these developments and has closely monitored the situation. Mr. Arkhom Termpittayapaisith, the Finance Minister, confirmed that the Thai economy is unlikely to be affected by this incident as there is no financial transactions between Thailand and SVB, and the Government Pension Fund of Thailand has not invested in the said institution.

In March 2023, the collapse of Silicon Valley Bank (SVB), a prominent institution, may have significant impact on the global financial economy. This unfortunate turn of events was triggered by the United States Federal Reserve's (FED) decision to combat inflation, which prompted the bank's predominantly startup customers to withdraw their funds to maintain their financial liquidity.

In addition, the falling of SVB may trigger a domino effect in global financial sector, given the fact that US citizens are withdrawing substantial amounts of deposits from other banks in the country, exacerbating concerns about the potential ripple effects of the bank's demise.