

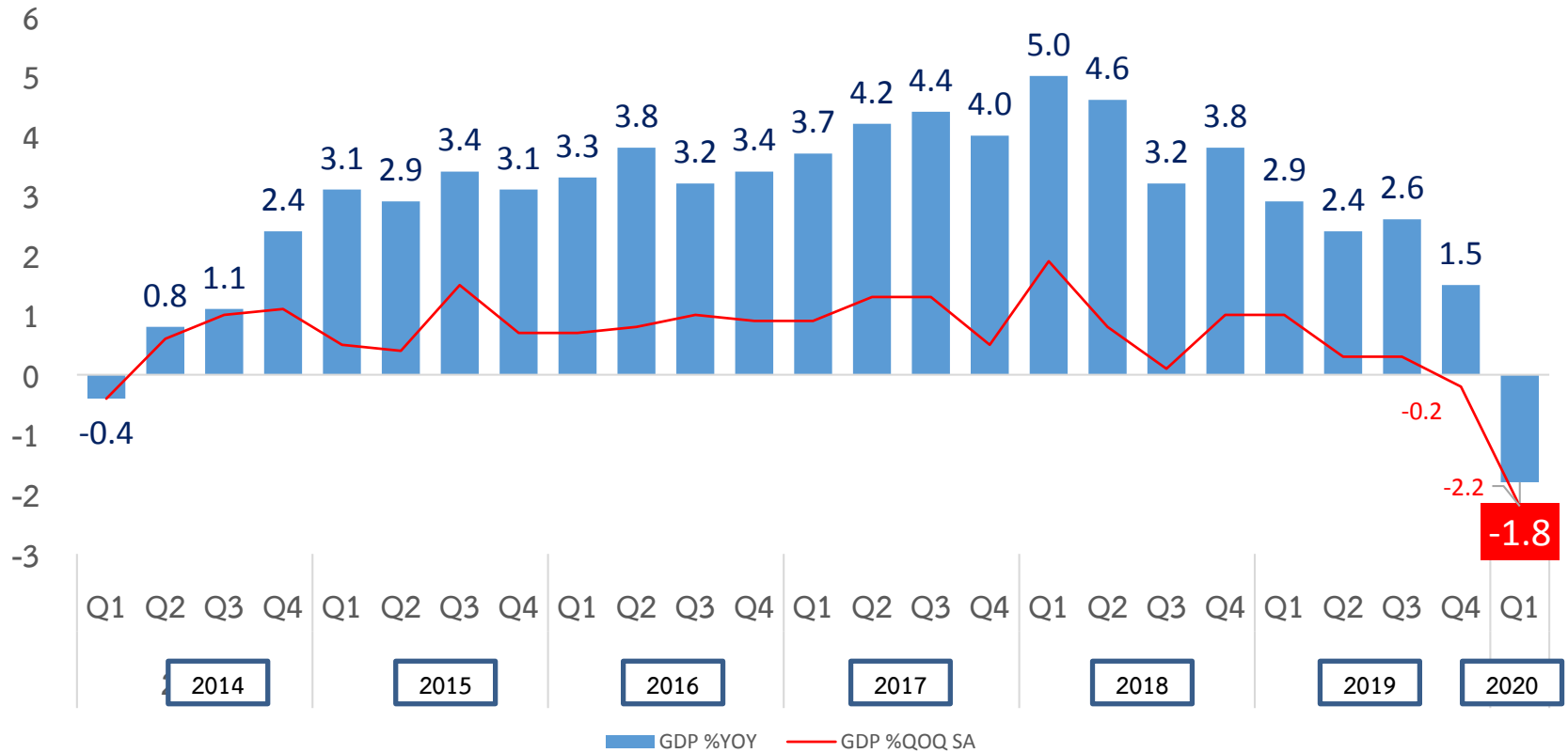
Thailand's Economic Outlook and Policy Framework



BOI – JFCCT Webinar
Support Measure for Economic Recovery

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Recent Economic Situation



2013	2014	2015	2016	2017	2018	2019
2.7%	1.0%	3.1%	3.4%	4.1%	4.2%	2.4%

COVID-19 relief measures phase 3 (1.9 trillion Baht)

(approved by the Cabinet on 7 April 2020)



Emergency decree Loan for helping people and improving the economy

1 trillion Baht

Public health and relief plan for COVID-19 affected people.

- Help people for 6 months
 - Help 10 million farmers household
 - Public health care
- Credits amount
(600 billion Baht)

Economy and social recovery plan Including economic support projects in the area

- Investing in development and growth
 - Restoring the local economy and community
 - Promoting the private consumption
 - Supporting local infrastructure development
- (400 billion Baht)**

Emergency decree Given the power to bank of Thailand to issue soft loan for business sector especially

SMEs **500 billion Baht**

- New loan of 500 billion Baht with 2% interest rate for SMEs with a credit limits not over **(500 Million Baht)**
- Commercial banks and SFIs suspense the debt (both principal and interest) for 6 months for SMEs with credit not over 100 Million Baht.

Emergency decree Maintain financial stability

400 billion Baht

- Set up corporate bond liquidity stabilization fund or BSF and let BOT buy and sell investment units in that fund

(Fund amount 400 billion Baht)

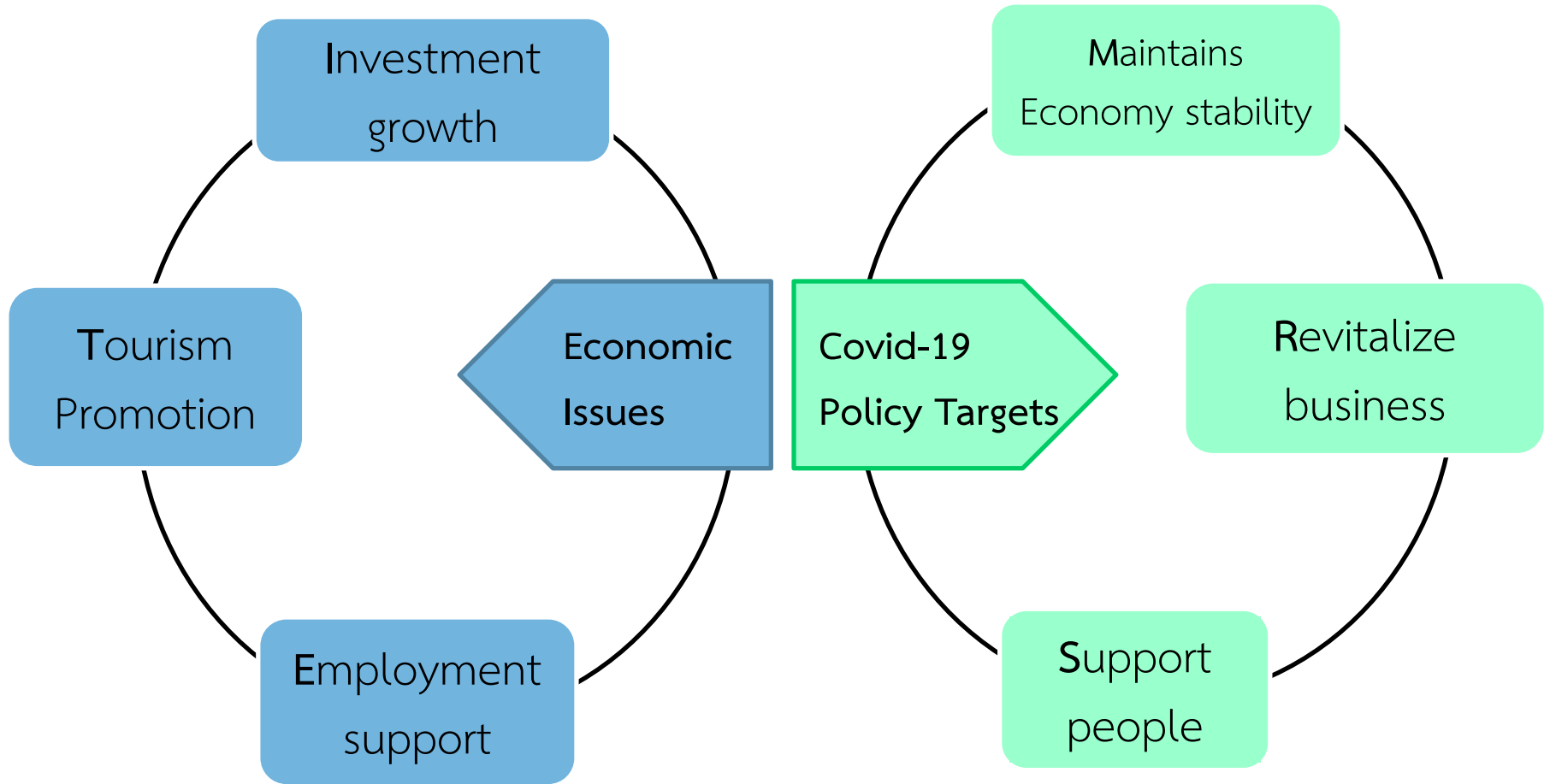
Fiscal Year 2021 Budget Framework

Million of Baht

	FY 2020		FY 2021	
	Budget FY 2020	% Change from FY2019	Budget FY 2021	% Change from FY2020
Expenditures	3,200,000.0	6.7	3,300,000.0	3.1
% of GDP	20.1		19.6	
- Current Expenditure	2,403,694.4	5.8	2,526,131.8	5.1
Ratio to Budget	75.1		76.5	
- Treasury Reserve Repayment	62,709.5	100	-	-100
Ratio to Budget	2.0		-	
- Capital Expenditure	644,425.7	-0.7	674,868.2	4.7
Ratio to Budget	20.1		20.5	
- Principal Repayment	89,170.4	14.0	99,000.0	11.0
Ratio to Budget	2.8		3.0	
Receipts	3,200,000.0	6.7	3,300,000.0	3.1
- Revenues	2,731,000.0	7.1	2,677,000.0	-2.0
- Domestic Borrowing	469,000.0	4.2	623,000.0	32.8
GDP	15,947,700.0	-5.5	16,824,800.0	5.5

Source: Bureau of Budget, FY 2021 Budget Framework is approved by the Cabinet on 14th May 2020

Economic Issues VS Covid-19 Policy Targets





Medium-Term Policies

January 28, 2020: Measures to Promote Domestic Investment X3

Objective

To stimulate domestic investment/ increase competitiveness of entrepreneur/alleviate the effect on Baht appreciation

Benefit 1

Deduct expense of machinery investment at 2.5 times of actual cost, covering investments from January 1 – December 31, 2020

Benefit 2

Tariff exemption on 146 items of imported machinery until December 31, 2020

Benefit 3

Bt 5 billion special loans from EXIM Bank to promote investments of exporters



To purchase machinery items for export

Fixed annual interest rate year 1-2 : 2%

Annual interest rate year 3-5: 4% / year 6-7 : 6%

Other loan measures



Bt 15 billion ‘Transformation Loan Project’

To invest in S-Curve or Supply chain industries, annual interest rate 4%, 7 years maximum loan period, application until December 18, 2020



Bt 5 billion ‘EXIM for Special Zone Project’

To entrepreneur to invest in EEC, Prime Rate 2%, maximum 15 years loan, application until June 30, 2020



Bt 20 billion ‘SMART SMEs Project’

To invest and/or as working capital, credit line Bt 15 million per person, MLR-1%, application until June 30, 2020



Bt 60 billion ‘Krungthai SME Project’

To invest in 10 S-curve, agro business , and robotics, annual interest rate 4%, 4 years free of charge from Thai Credit Guarantee Corporation (TCG), application unit December 31, 2020



‘Loan for Structural Improvement of Agricultural Production for Sustainability’

To support working expense or to invest in transforming product structure leading to new production platform, i.e., new agricultural machinery investment, MRR -1% for personal farmer and MLR – 0.5% for organization, farmer groups, agriculture cooperatives, during first 1-3 years since April 1, 2008 – March 31, 2021



Thank you
Fiscal Policy Office

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