



Thailand's Economic Outlook and Key Economic Policies

24 February 2021

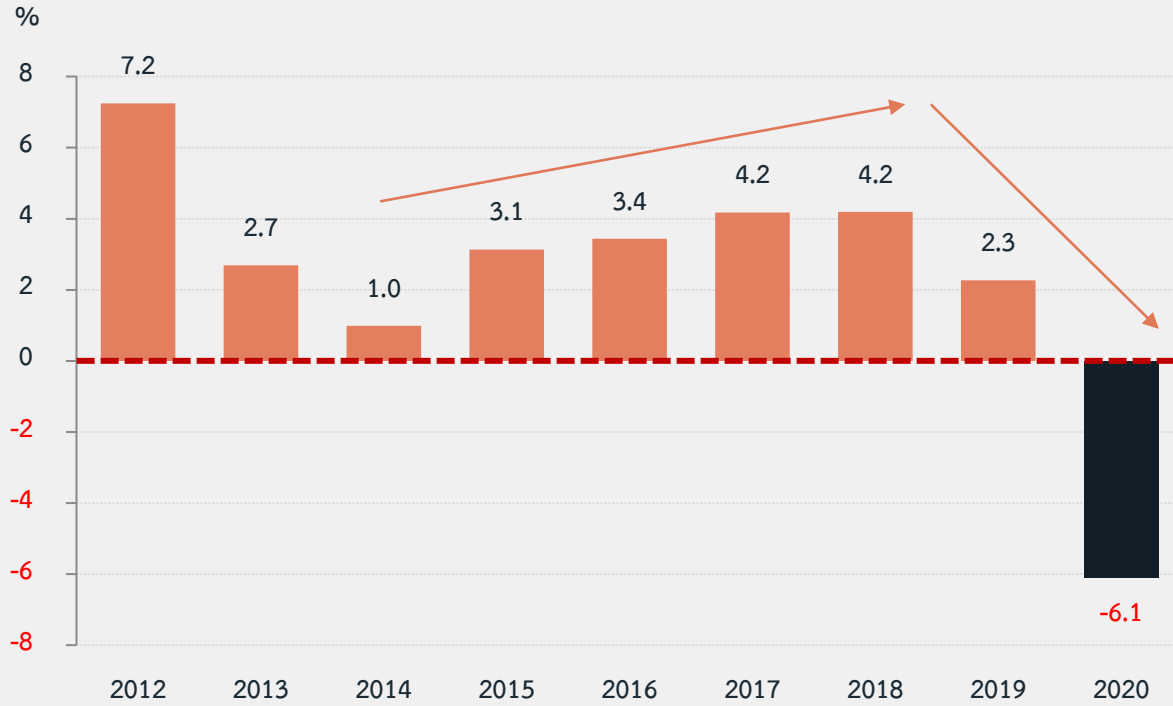
Dr. Arnunchanog Sakondhavat

Office of National Economic and Social Development Council

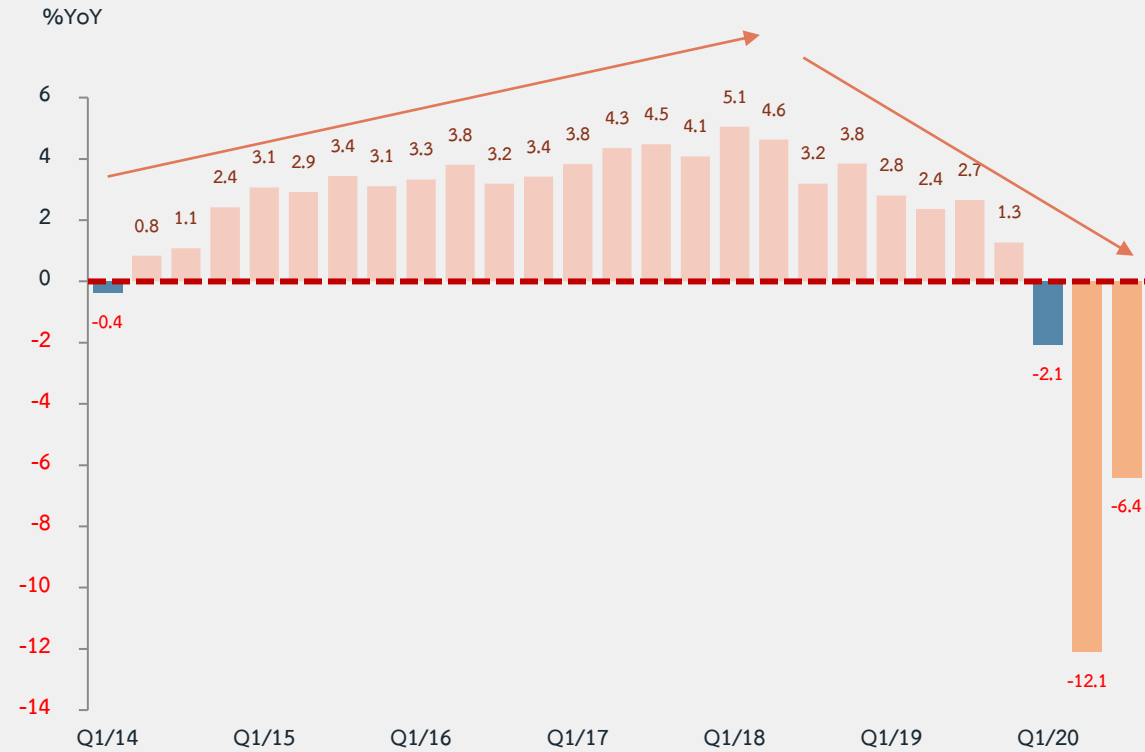
(NESDC)

Economic Growth from 2012 to 2020

GDP Growth Rate (Year)
2012 - 2019



GDP Growth Rate (Quarter)



Growth (%YoY)	2018				2019				2020						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
GDP	4.2	2.3	-6.1	5.1	4.6	3.2	3.8	2.8	2.4	2.7	1.3	-2.1	-12.1	-6.4	-4.2

Source: NESDC as of February 15th, 2020

The Thai economy in the fourth quarter of 2020 declined by 4.2 percent

On the expenditure side: Private consumption recovered. Private investment and exports of goods decelerated. On the other hand, government consumption and investment expanded. Exports of services continued to decline

On the production side: Agriculture grew, while manufacturing, accommodation & food services, wholesale & retail trade, transportation & storage decelerated. Construction declined from previous growth and electricity and gas continued to fall.

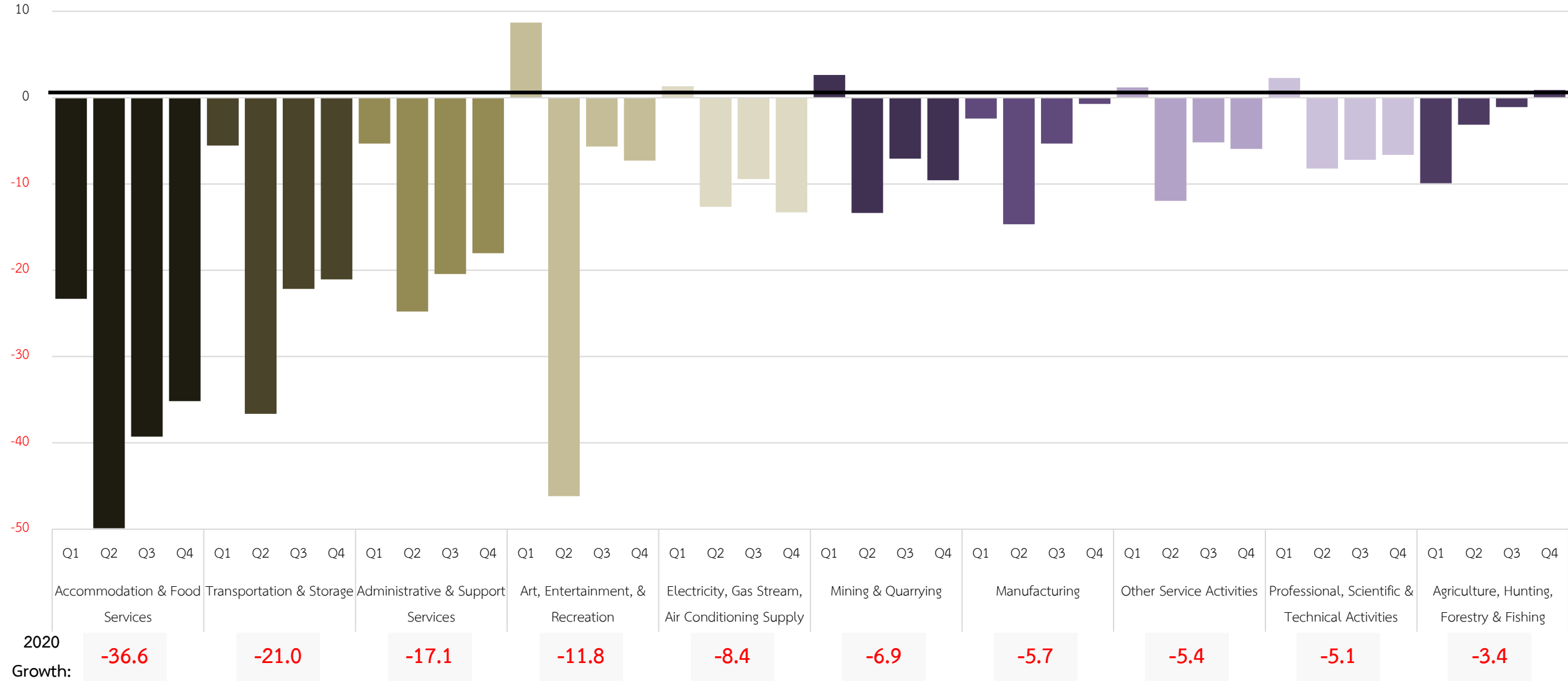
%YoY	2018	2019	2020	2019				2020			
	Year	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Priv. Con.	4.6	4.0	-1.0	4.4	4.0	3.9	3.6	2.7	-6.7	-0.6	0.9
Govt. Con.	2.8	1.7	0.8	3.2	1.6	2.7	-0.8	-2.5	1.0	2.5	1.9
Investment	3.8	2.0	-4.8	3.1	1.8	2.6	0.6	-6.3	-7.9	-2.6	-2.5
Private	4.1	2.7	-8.4	4.2	1.9	2.1	2.5	-5.3	-14.9	-10.6	-3.3
Public	2.8	0.1	5.7	0.1	1.4	3.8	-5.7	-9.1	12.6	17.6	0.6
Exports	3.4	-3.0	-19.4	-4.6	-4.5	0.3	-3.0	-5.8	-27.5	-23.3	-21.4
Goods	3.8	-3.7	-5.8	-4.3	-4.6	-0.4	-5.5	1.7	-15.8	-7.5	-1.5
Services	2.0	-0.5	-60.0	-5.8	-3.7	2.9	4.9	-26.8	-67.7	-73.1	-74.8
Imports	8.3	-5.2	-13.3	-0.3	-3.5	-7.0	-9.5	-3.0	-23.6	-19.3	-7.0
Goods	7.9	-5.8	-11.9	-2.7	-3.7	-7.3	-9.1	-2.2	-21.2	-18.1	-5.6
Services	9.9	-2.7	-18.6	10.1	-2.7	-5.8	-11.0	-6.2	-32.4	-23.9	-11.9
GDP	4.2	2.3	-6.1	2.8	2.4	2.7	1.3	-2.1	-12.1	-6.4	-4.2

%YoY	2018	2019	2020	2019				2020			
	Year	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture	5.8	-0.6	-3.4	1.5	-2.0	2.1	-3.1	-9.9	-3.1	-1.1	0.9
Non-Agriculture	4.0	2.5	-6.3	2.9	2.7	2.6	1.8	-1.3	-12.9	-6.7	-4.7
Industrial	2.9	0.0	-5.9	0.6	1.3	0.0	-1.9	-1.7	-14.2	-5.8	-2.3
Manufacturing	3.4	-0.7	-5.7	0.0	0.1	-0.6	-2.2	-2.4	-14.7	-5.3	-0.7
Services	4.7	3.9	-6.5	4.2	3.5	4.0	3.8	-1.2	-12.1	-7.2	-5.9
Construction	2.3	1.6	2.3	2.9	3.3	2.5	-3.1	-9.3	7.5	10.8	-0.3
Wholesale & Retail Trade	6.4	4.5	-3.7	5.8	4.1	4.0	3.9	3.6	-10.9	-6.1	-3.1
Transportation & Storage	4.0	3.0	-21.0	3.3	2.5	2.7	3.4	-5.5	-36.6	-22.2	-21.1
Accommodation & Food Service	7.9	7.8	-36.6	7.1	5.9	9.0	9.3	-23.3	-49.9	-39.3	-35.2
Information & Communication	8.4	12.3	4.7	10.1	12.6	12.0	14.2	4.4	4.1	4.5	5.7
Financial & Insurance	3.6	2.2	2.7	1.8	1.3	3.1	2.5	4.3	1.7	1.6	3.3
GDP	4.2	2.3	-6.1	2.8	2.4	2.7	1.3	-2.1	-12.1	-6.4	-4.2

Dashboard: Thai Economic Situation (Production and Expenditure)																									
%YoY		2019												2020											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditure																									
Private Consumption Index		5.5	5.3	4.9	2.5	3.5	2.8	1.8	0.6	-0.1	1.0	-0.1	-0.5	1.3	4.2	-1.2	-14.6	-11.7	-4.7	-0.2	-0.3	0.4	-0.3	1.0	2.9
Private Investment Index		2.3	-1.7	-0.4	-0.9	-0.9	-5.1	0.9	-5.8	-2.4	-4.5	-7.3	-3.4	-4.8	-6.4	-7.8	-9.9	-18.3	-9.5	-10.0	-5.0	-2.1	-3.6	1.4	4.5
Export Value (BOP)		-5.0	-1.9	-4.3	-3.1	-7.3	-2.1	3.7	-2.1	-2.1	-5.4	-8.1	-1.9	3.5	3.0	-2.2	-3.3	-23.6	-24.5	-11.9	-8.2	-4.2	-5.6	-3.1	4.6
Export Value, excluding gold (BOP)		-4.2	-3.2	-4.4	-1.6	-6.2	-9.0	-1.8	-8.9	-4.0	-5.3	-8.3	-1.1	-1.2	-1.9	-6.4	-15.9	-29.0	-18.3	-14.3	-13.6	-3.7	-5.0	-2.3	4.9
Export Volume Index		-5.2	-2.2	-4.7	-3.3	-7.3	-2.3	3.1	-2.4	-2.4	-5.2	-8.4	-3.0	2.8	3.2	-0.6	-1.0	-21.8	-23.4	-11.1	-7.8	-3.7	-5.5	-3.3	4.5
Import Volume Index		4.7	-7.9	-6.1	-1.5	-0.8	-9.6	0.1	-15.7	-4.4	-8.3	-15.1	-1.3	-3.6	-9.3	5.8	-12.6	-31.7	-17.6	-25.0	-20.0	-8.6	-12.8	-2.4	-1.0
Annul Budget Disbursement Rate		26.4	22.7	1.5	-11.1	-5.5	-24.3	7.5	-4.2	-1.4	-22.9	-21.5	-7.3	-33.0	-6.3	123.2	53.9	9.5	-3.0	2.0	9.8	15.7	2.6	116.1	8.7
- Current Expenditure		28.0	27.0	0.9	-12.7	-9.1	-26.6	6.4	-5.5	-5.1	-20.4	-17.5	1.7	-28.2	7.4	148.8	58.0	13.2	-8.5	-5.0	1.5	7.7	1.7	101.2	2.5
- Capital Expenditure		14.4	4.5	3.8	2.1	11.8	-8.4	15.1	1.3	14.3	-61.5	-65.1	-68.9	-73.5	-77.8	22.5	24.6	-4.7	26.2	47.3	41.0	43.8	32.5	504.7	148.5
UTCC's Overall Economic Confidence Index		67.7	69.0	67.6	66.2	64.8	63.4	62.2	60.9	59.3	57.9	56.4	56.0	54.9	52.5	41.6	39.2	40.2	41.4	42.6	43.6	42.9	43.9	45.6	43.5
Business Sentiment Index		50.0	49.9	51.4	49.2	50.1	49.4	49.1	48.6	47.9	48.1	47.4	45.1	48.5	44.1	42.6	32.6	34.4	38.5	42.9	45.7	47.5	45.4	47.7	46.8
Production																									
Agriculture Production Index		4.7	1.1	-1.0	-0.9	-0.5	1.5	1.5	-3.1	3.0	2.3	-4.6	-5.2	-3.8	-12.0	-26.9	-13.8	-1.0	1.2	-2.5	-1.0	-0.3	-1.8	3.0	0.9
Agriculture Price Index		-0.6	0.0	-2.3	-0.4	0.9	5.5	2.7	2.6	2.3	1.0	4.7	5.7	9.0	8.4	8.5	3.4	-3.0	-4.5	1.9	7.6	9.4	12.3	9.6	11.2
Farmer Income Index		4.1	1.2	-3.3	-1.3	0.4	7.1	4.2	-0.5	5.4	3.3	-0.2	0.2	4.8	-4.6	-20.7	-10.8	-3.9	-3.4	-0.6	6.5	9.1	10.2	12.9	12.2
Manufacturing Production Index		0.4	-1.4	-2.5	1.5	-3.2	-5.1	-3.2	-4.4	-5.0	-8.0	-8.0	-4.4	-4.0	-4.2	-10.5	-18.2	-23.8	-17.8	-12.9	-9.1	-2.1	-0.4	0.2	-2.4
Production Utilization Index (%)		70.0	68.6	73.9	63.1	67.4	64.6	65.1	65.6	63.6	62.8	63.2	64.0	66.8	66.1	67.8	51.3	52.3	55.1	57.6	60.9	63.5	63.5	65.4	63.8
Foreign Tourism Receipt		6.1	1.4	-0.7	4.8	-0.2	2.0	3.1	6.2	8.7	9.3	0.9	-2.2	-3.6	-43.9	-77.6	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0
Number of Foreign Tourists		5.1	1.4	-0.5	3.9	0.0	1.4	5.2	7.5	9.6	13.7	6.8	2.9	2.6	-42.7	-76.4	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-99.9	-99.8
Occupancy Rate (%)		81.3	79.8	74.8	76.9	69.5	66.0	65.8	63.0	63.3	67.4	69.9	76.5	78.0	58.4	20.8	2.3	3.8	13.4	25.4	26.9	27.9	30.4	34.8	32.2
No of Company: Newly Registered		5.0	3.3	2.2	16.2	1.5	-14.1	8.4	-7.3	10.3	-7.2	-10.3	-23.0	-5.0	-2.4	-11.8	-32.8	-29.4	2.6	-12.3	-7.3	-19.0	-6.2	-9.8	3.9
No of Company: Dissolved		3.7	0.2	15.8	23.9	11.4	-9.2	-5.5	0.9	2.1	-2.4	-3.6	2.8	0.5	0.4	-11.9	-17.1	-20.0	5.7	-20.9	-23.9	-19.1	-2.8	2.6	6.1

Economic impact of COVID-19 pandemic through each sector

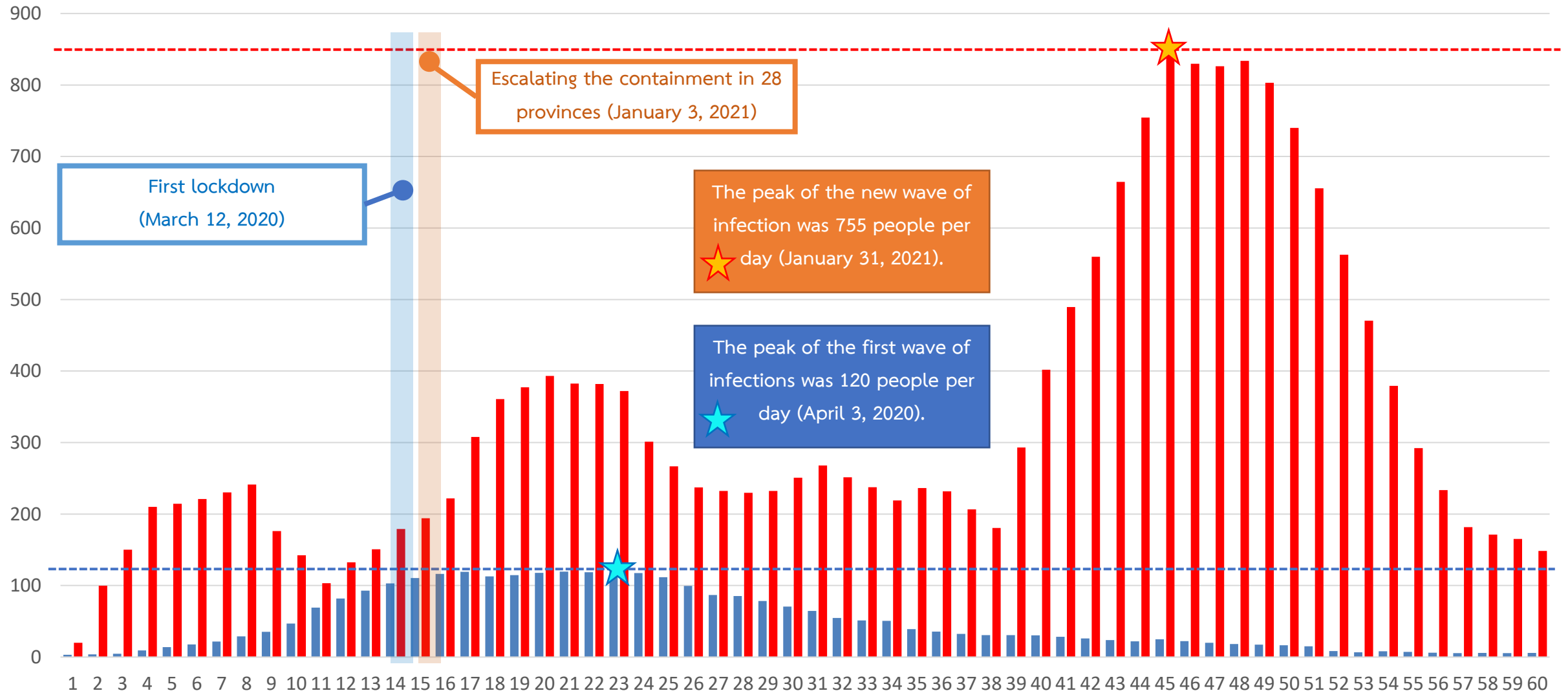
GDP by industry (%YoY)



2020
 Growth: **-36.6** **-21.0** **-17.1** **-11.8** **-8.4** **-6.9** **-5.7** **-5.4** **-5.1** **-3.4**
 Source: NESDC as of February 15th, 2021

Situation of the COVID-19 Outbreak in Thailand

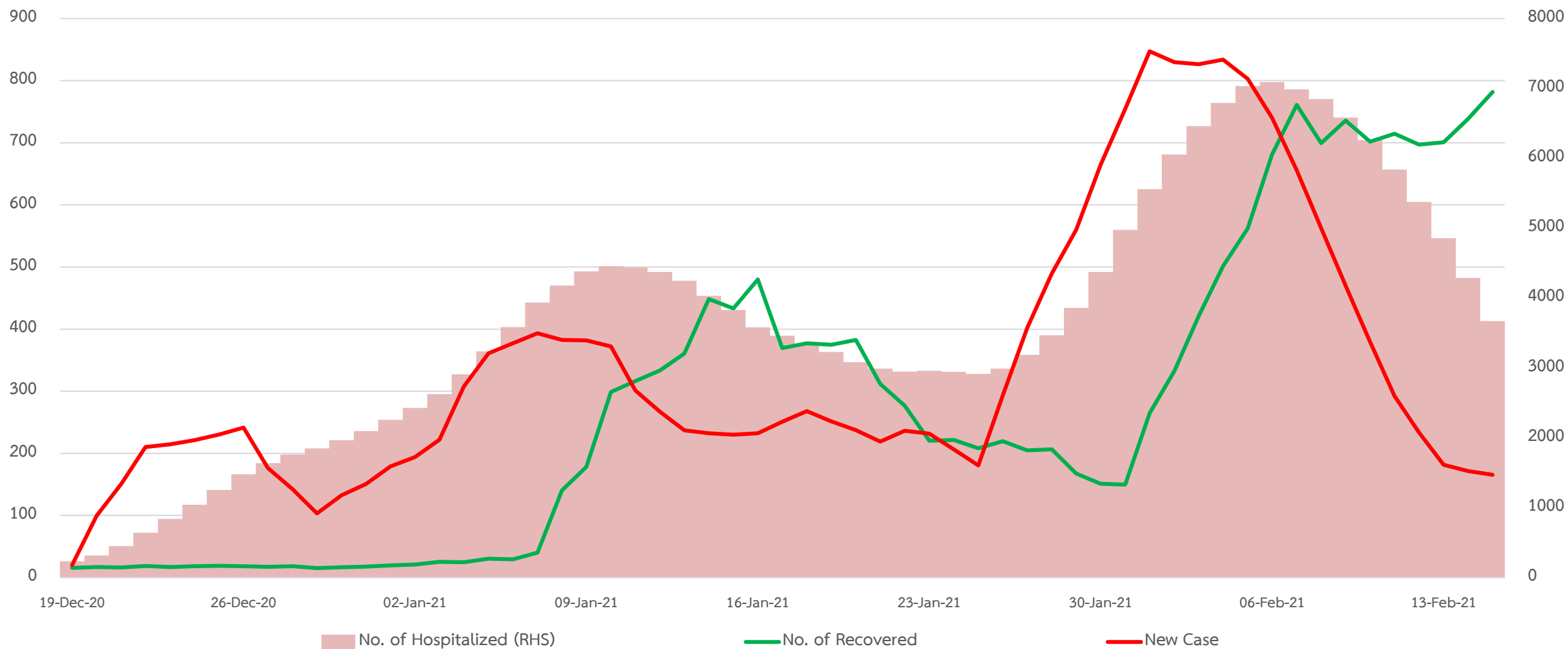
Comparing the number of new cases (7 days average) between [the first wave](#) (starting on Mar 12th, 2020) and [the second wave](#) (starting on Dec 19th, 2020)



Source: Department of Disease Control via CEIC, as of February 16th, 2021

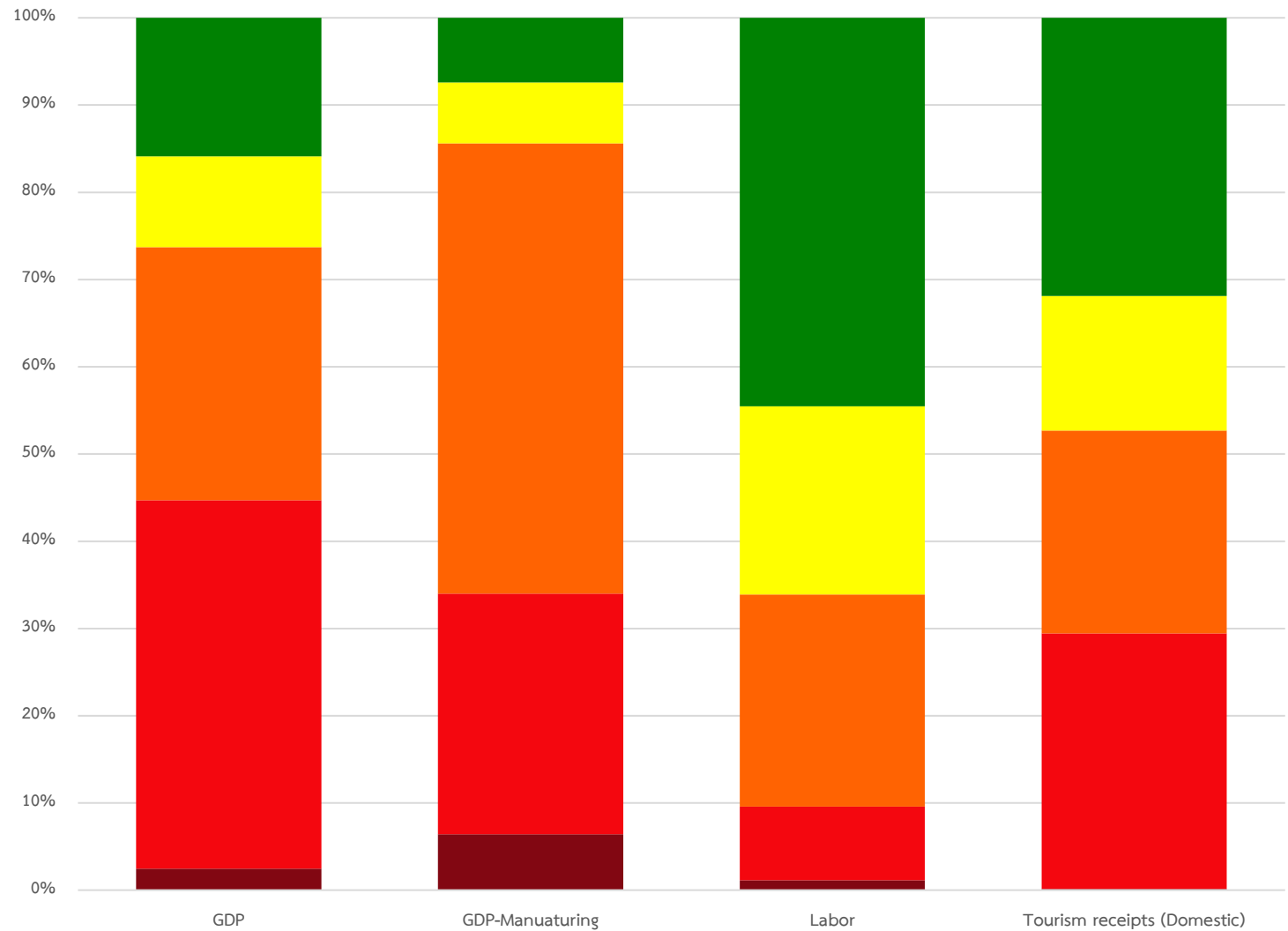
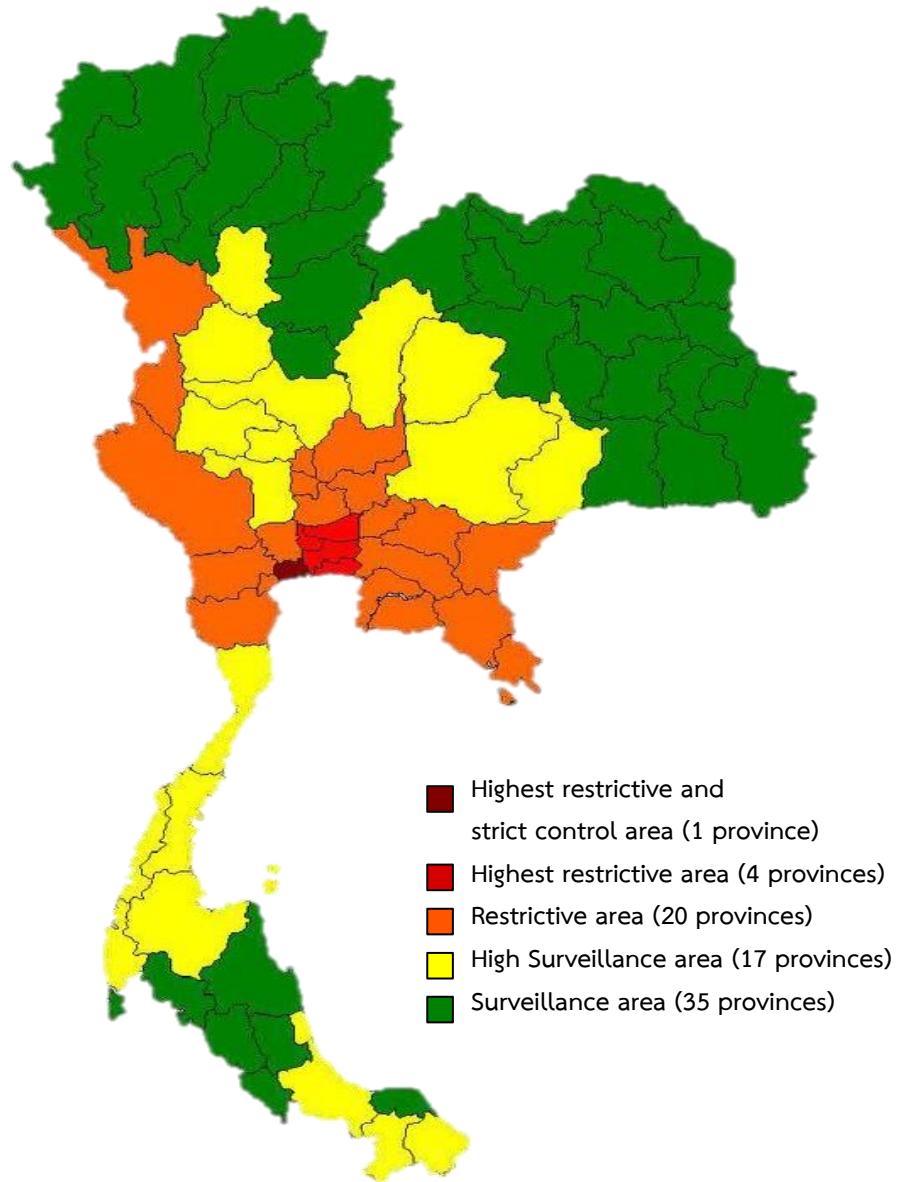
Situation of the COVID-19 Outbreak in Thailand

Although the new cases per day have been higher than the previous wave, the number of recovered people is relatively high, so the number of hospitalized people is at a controlled level.



Source: CEIC (7-days moving average)

Impact of the COVID-19 Outbreak by Areas



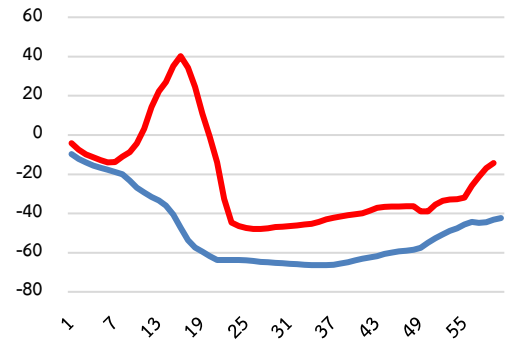
High frequency data in January 2021

shows that, during the new period of COVID-19 outbreak, the level of traveling trend of Thai people was still high, comparing to those during the first outbreak as there was no lockdown as well as the new year festival, except in some provinces with maximum control

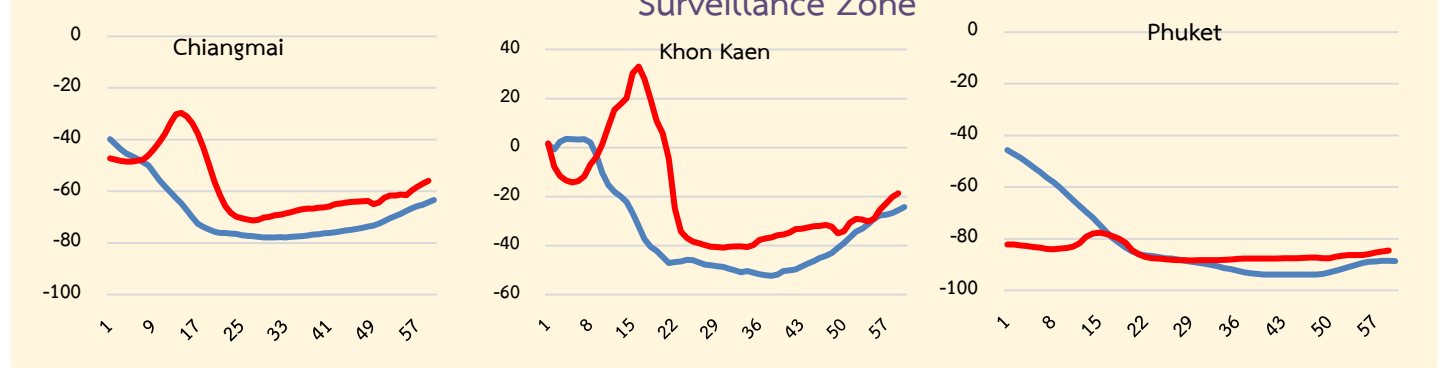
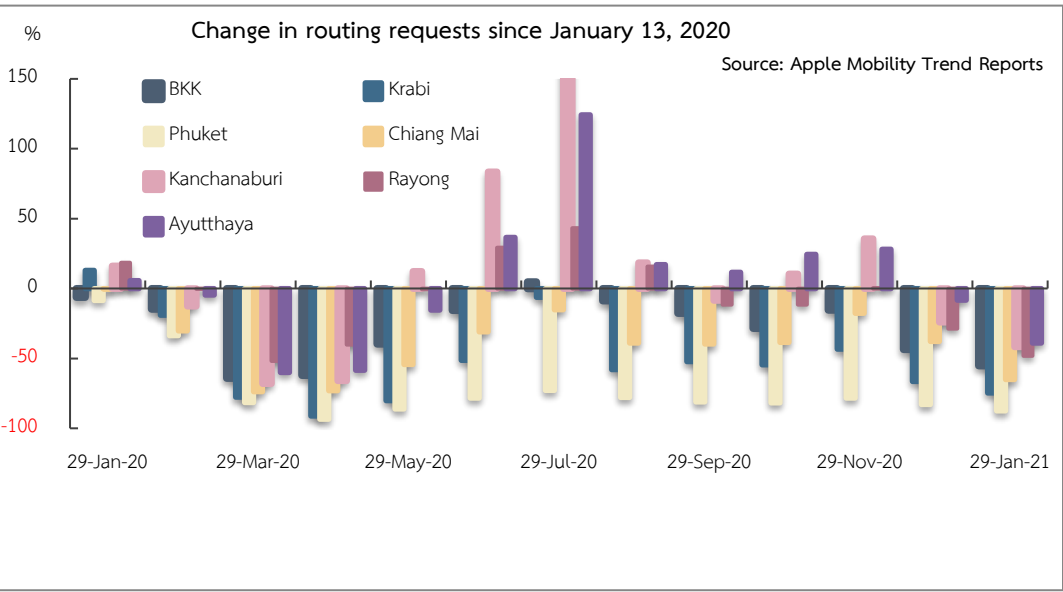
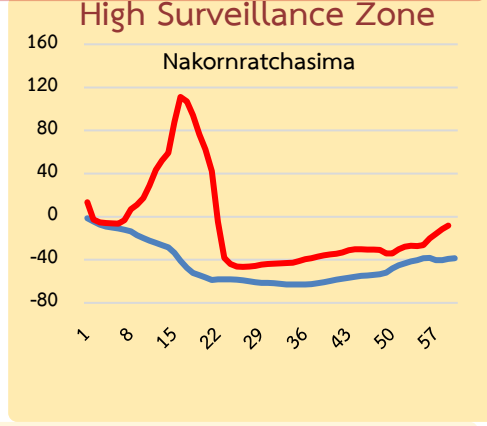
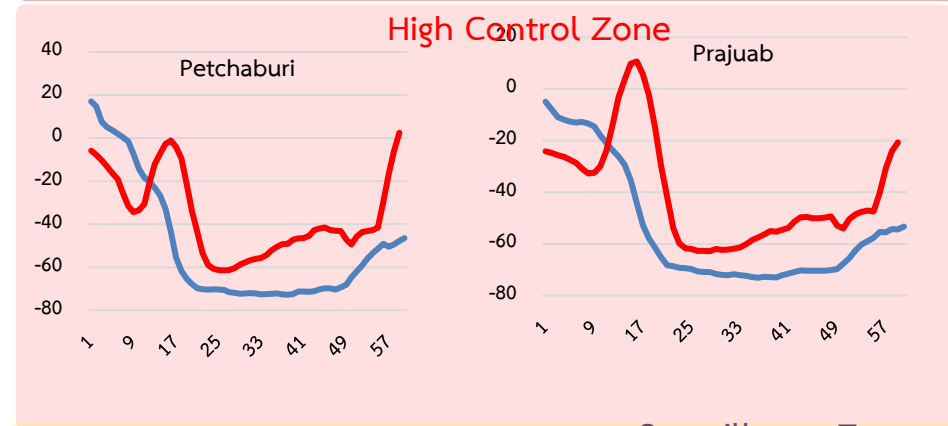
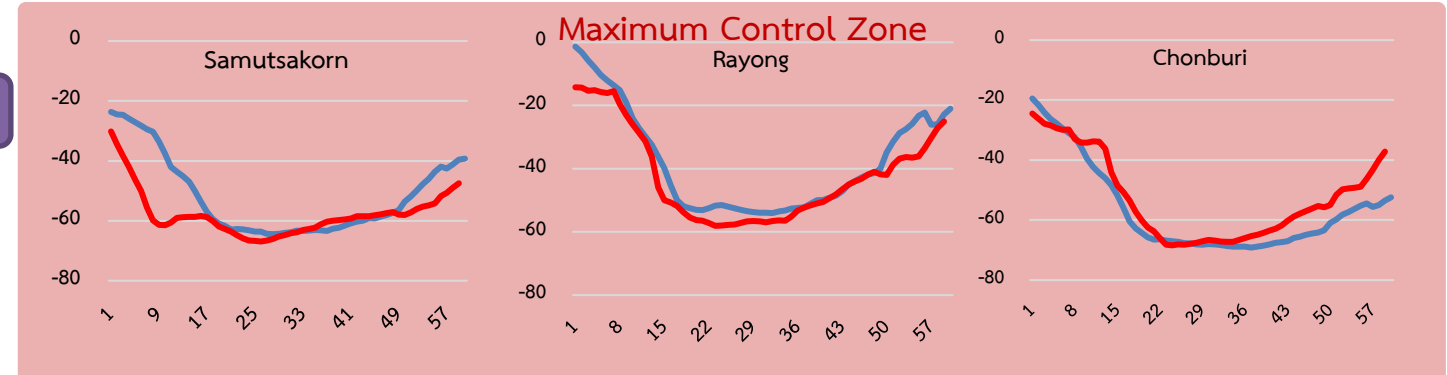
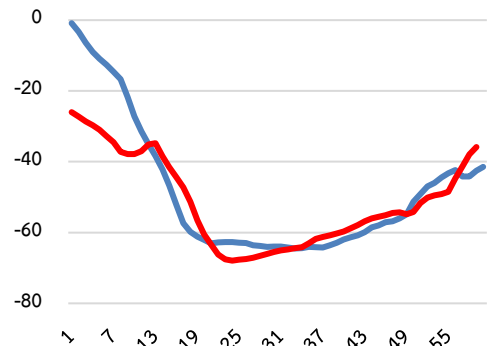
Requests for directions: Apple Mobility Trend Reports

— 1st Outbreak (From 12 Mar 20) — New Outbreak (From 19 Dec 20)

Country level

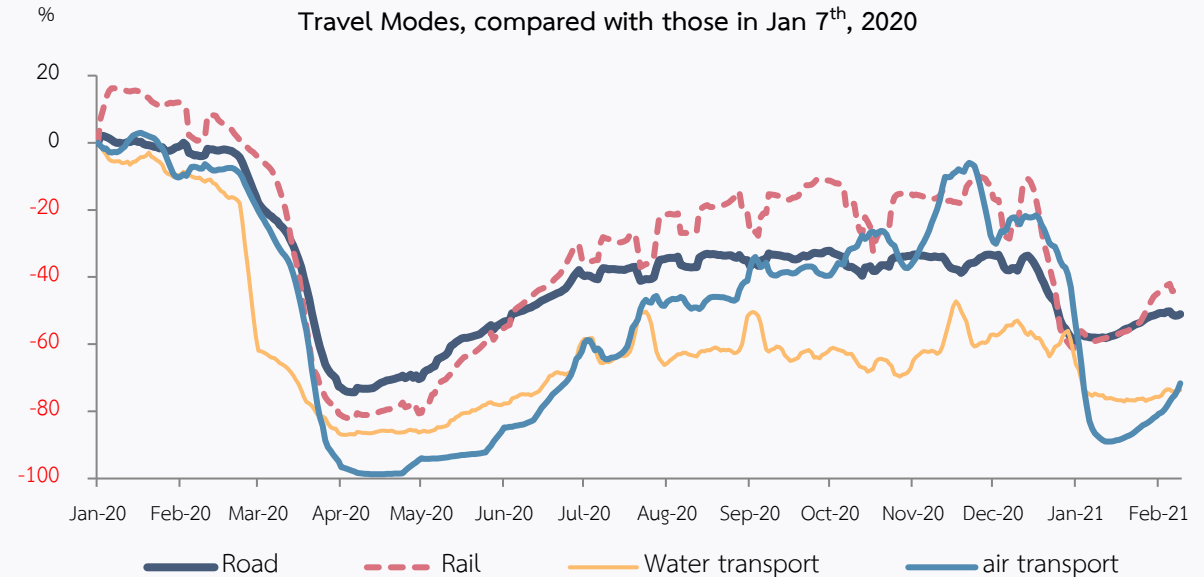


5 Provinces with highest restriction

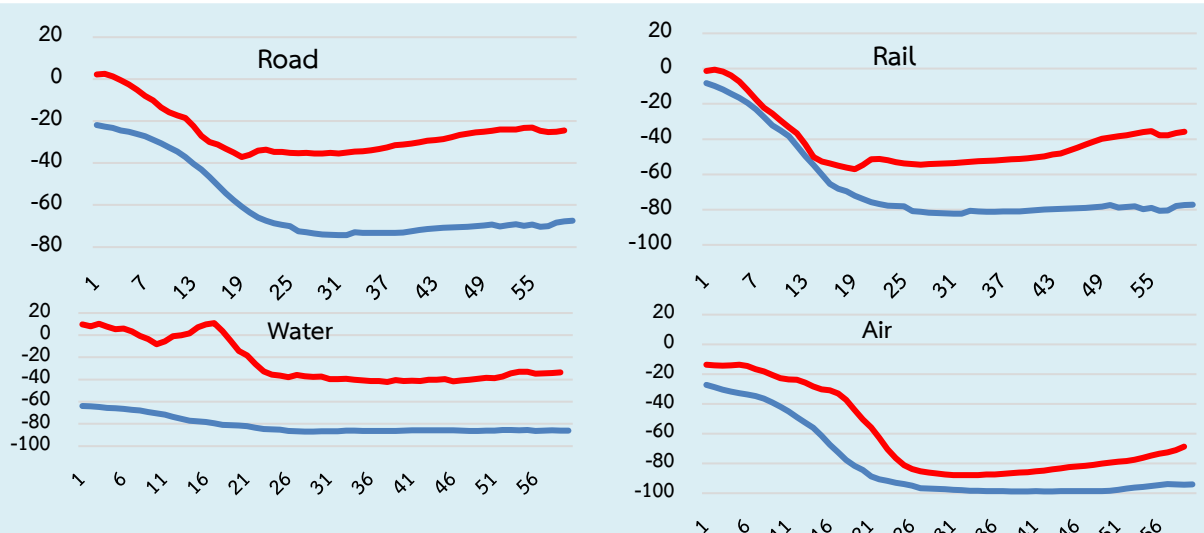


High frequency data in January 2021

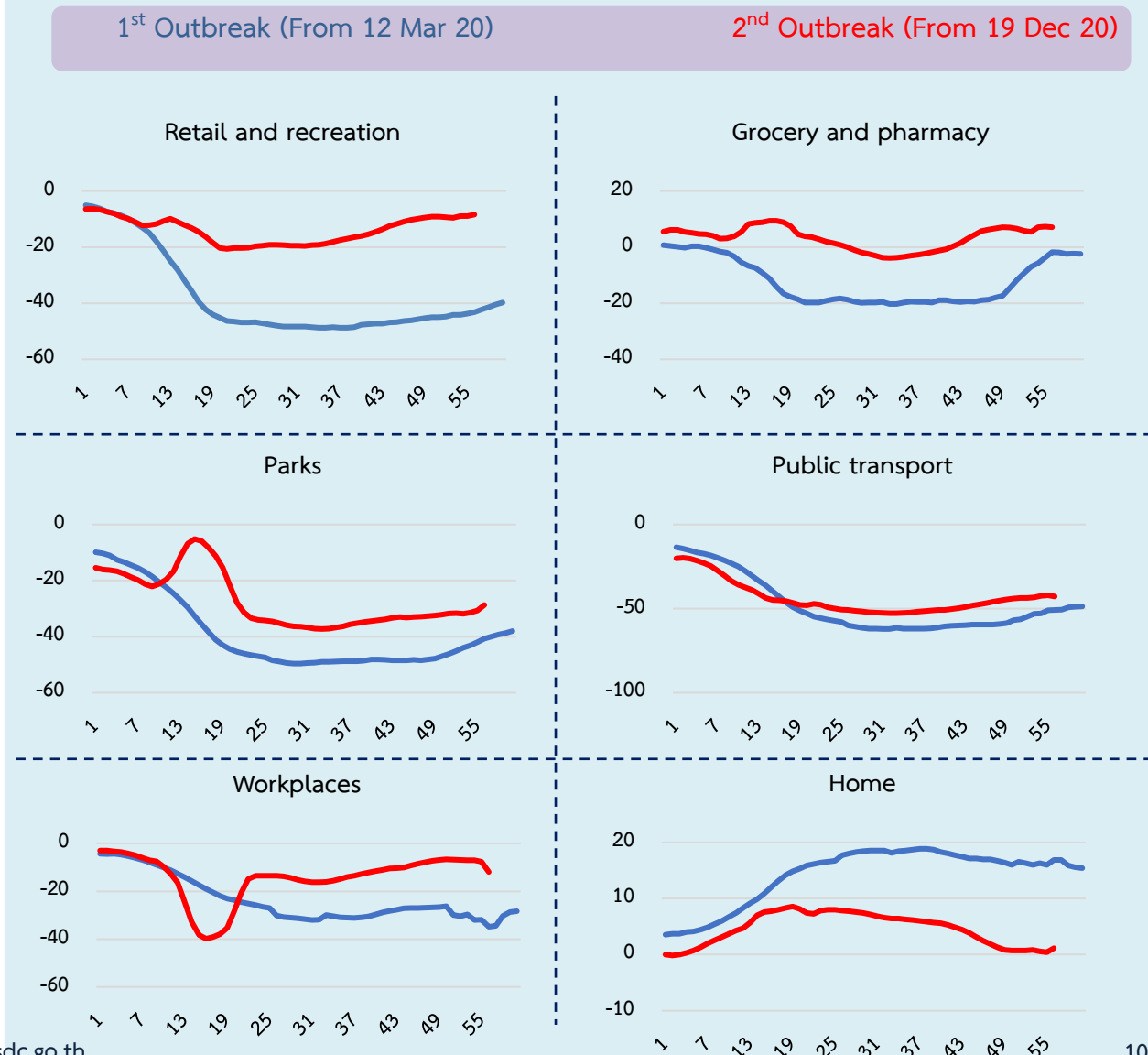
shows that, during the new period of COVID-19 outbreak, the level of traveling trend of Thai people was still high, comparing to those during the first outbreak



Travel modes during the 1st outbreak (7 Jan 20) and the 2nd outbreak (1 Dec 20)



Changes in activities compared to those during 3 Jan – 6 Feb 20 (Google Community Mobility Reports)

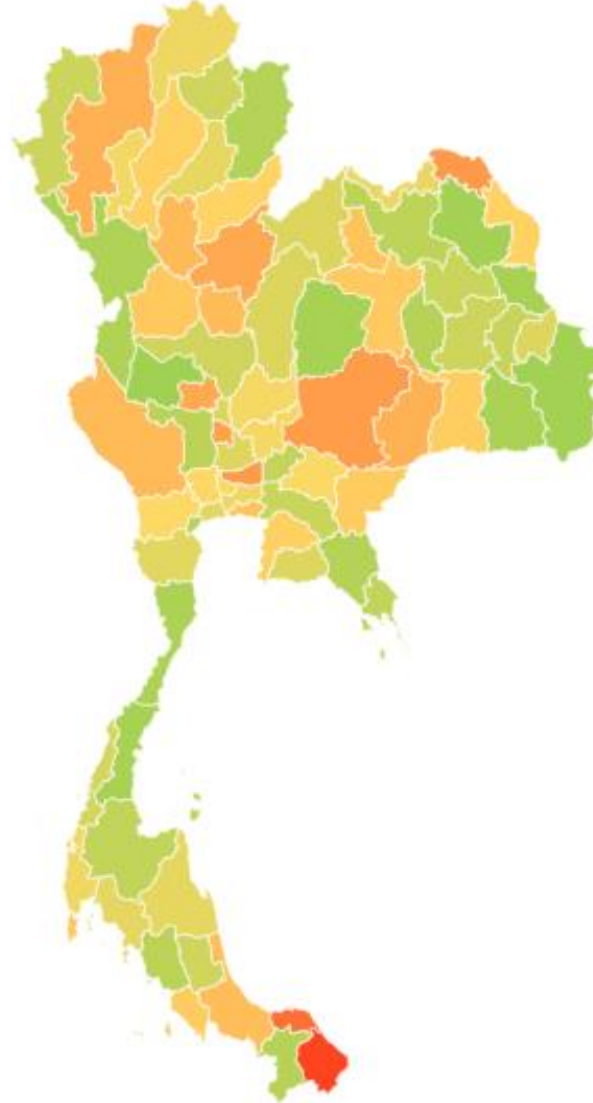


Unemployment Rate by Province

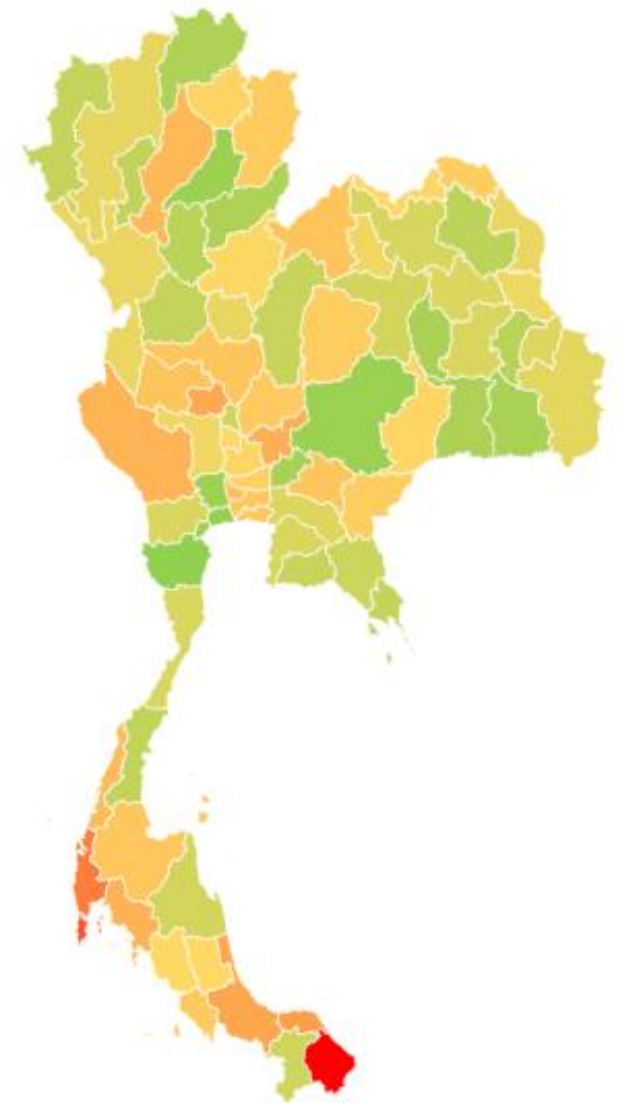
Q4 - 2019



Q2 - 2020



Q4 - 2020

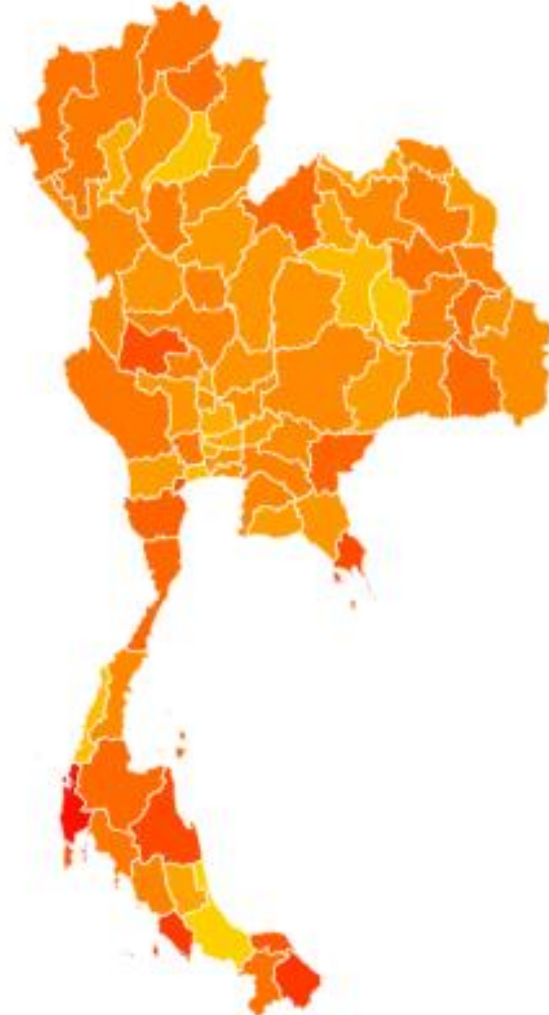


Unemployment benefit (Section 38) by Province (Lay-off cases)

June 2020



September 2020



December 2020

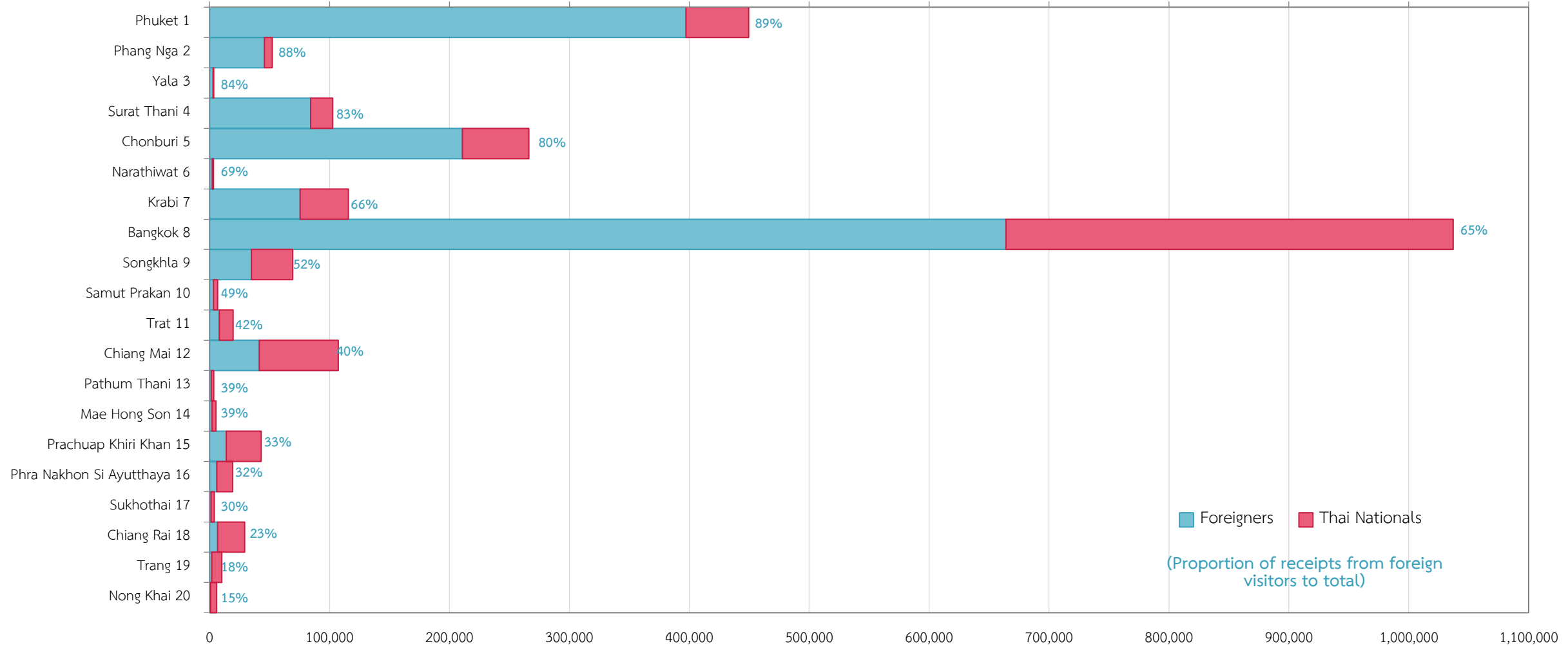


Note: Compare with the same period of previous year

Source: SSO

Tourist receipts by province

Receipts from visitors in 2019 (million baht) by 20 most foreign-tourist-receipts-dependent provinces



The world economy in the fourth quarter of 2020 continued to recover from the historical decline in the second quarter following the improved economic activities from the relaxation of containment measures and therefore better export performance.

(%YoY)	GDP					Export of Goods							
	2018	2019	2020			2018	2019	2020					
	Year	Year	Q3	Q4	Year	Year	Year	Q3	Q4	Oct	Nov	Dec	Year
US	3.0	2.2	-2.8	-2.5	-3.5	7.9	-1.5	-13.5	-5.7	-7.2	-7.6	-2.3	-13.2
Euro Area	1.9	1.3	-4.3	-5.1	-6.8	8.7	-2.5	-4.0	4.5	-3.2	5.8	12.0	-7.2
UK	1.3	1.4	-8.7	-7.8	-9.9	10.2	-3.4	-12.6	-7.6*	-14.7	0.5	-	-14.7*
Australia	2.9	1.9	-4.1	-	-	11.3	5.3	-13.1	4.3	0.4	0.4	11.4	-7.7
Japan	0.6	0.3	-5.8	-1.2	-4.8	5.7	-4.4	-12.0	3.3	2.6	-0.1	7.2	-9.1
China	6.7	6.0	4.9	6.5	2.3	9.7	-0.1	8.9	17.0	11.4	21.1	18.3	4.0
India	6.8	4.9	-7.5	-	-	8.8	-0.1	-5.3	-4.3	-4.7	-8.6	0.1	-14.8
South Korea	2.9	2.0	-1.1	-1.4	-1.0	5.4	-10.4	-3.5	4.1	-3.9	3.9	12.4	-5.5
Taiwan	2.8	3.0	3.9	4.9	3.0	5.9	-1.5	6.0	11.7	11.2	12.0	12.0	4.9
Hong Kong	2.8	-1.2	-3.6	-3.0	-6.1	6.8	-4.1	2.3	6.4	0.1	6.7	12.4	-0.5
Singapore	3.4	0.7	-5.6	-3.8	-5.8	10.3	-5.2	-2.1	-1.7	-5.1	-4.4	4.5	-4.1
Indonesia	5.2	5.0	-3.5	-2.2	-2.1	6.6	-6.8	-6.5	6.7	-3.5	9.4	14.6	-2.6
Malaysia	4.8	4.3	-2.6	-3.4	-5.6	14.2	-3.4	3.5	6.6	1.1	5.7	13.3	-2.6
Philippines	6.3	6.0	-11.4	-8.3	-9.5	0.9	2.3	-6.5	0.8	-1.2	4.0	-0.2	-10.1
Vietnam	7.1	7.0	2.7	4.5	2.9	13.3	8.4	10.6	15.1	12.2	10.7	22.7	7.0
Thailand	4.2	2.3	-6.4	-4.2	-6.1	6.9	-2.6	-7.8	-2.0	-6.7	-3.6	4.7	-6.0

Source: CEIC, compiled by the NESDC Remarks: * Data available up to November 2020

Key Assumptions for 2021 Economic Projection:

	Actual Data			Projection for 2021	
	2018	2019	2020	As of 16 Nov 2020	As of 15 Feb 2021
World Economic Growth* (%YoY)	3.8	3.0	-3.5	4.9	5.2
USA	3.0	2.2	-3.5	3.4	4.8
EU	1.9	1.3	-6.8	4.8	4.3
Japan	0.3	0.7	-4.0	2.4	2.4
China	6.7	6.1	2.3	7.5	7.7
World Trade Volume (%YoY)	3.9	1.0	-11.0	5.0	6.7
Exchange Rate (THB/USD)	32.3	31.0	31.3	30.3 – 31.3	29.5 – 30.5
Dubai Crude Oil (USD/Barrel)	69.5	63.3	42.1	41.0 – 51.0	48.0 – 58.0
Export Price (USD) (%YoY)	3.4	0.3	-1.0	0.5 – 1.5	1.5 – 2.5
Import Price (USD) (%YoY)	5.6	0.2	-2.0	1.0 – 2.0	2.0 – 3.0
Revenue from Foreign Tourists (Trillion THB)	1.82	1.85	0.44	0.49	0.32

Source: NESDC Remarks: *Calculated by trade weight of key economic partners in 2018 (15 economies)

- The world economy and global trade volume** are upwardly revised from the previous projection due to the better-than-expected pace of the US, China, and the NIEs. In addition, supporting factors are from the progresses regarding the approval and distribution of vaccines for the major economies since mid-December, as well as the economic stimulating measures which should help domestic demand of each economy.
- The average Thai baht in 2021** is more appreciated than expected previously, in accordance with vaccine distribution, world economic recovery, and USD depreciation. Therefore, it is expected that capital will flow out from safe assets to emerging markets and Thailand.
- The average Dubai crude oil price in 2021** is revised upward, following the better-than-expected world economic recovery, OPEC+'s cooperation in production cut, low level of US inventory, and OPEC's geopolitical conflicts.
- The export and import prices in USD term** were upwardly adjusted from the higher oil price assumption and the recovery trend of the world economy and global trade volume.
- Revenue from foreign tourists in 2021** are expected to be less than in the previous projection, following the less estimated number of foreign tourists from 5.0 million to 3.2 million under the baseline scenario, or a decline by 52.9% from 2020. This was due to the severity of the pandemic in several countries as well as the new wave of COVID-19 in Thailand, as well as the uncertainties surrounding the vaccines' efficiency and distribution, especially in tourists' origins and in Thailand.
- Government budget** is expected to be disbursed as follows: (i) the FY2021's annual budget disbursement rate of 93.5%, revised down from 94.4% in the previous projection, where the current and capital budget are expected to be disbursed at 98.0% and 75.0%, respectively, and are downwardly revised from 97.4% and 80.0%, (ii) the carry-over budget disbursement of 85.0%, (iii) the state-owned enterprise's capital budget disbursement of 70.0%, and (iv) the disbursement under the Emergency Decree Authorizing the Ministry of Finance to Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2563 (2020) of 80.0% of the 1 trillion Baht loan line, an increase from 70.0% in the previous projection. The estimated disbursement under the decree in 2021 is expected to total 510,000 million baht, compared with 290,000 million baht in 2020.

Thai Economic Projection 2021

(%YoY)	Actual Data			Projection for 2021	
	2018	2019	2020	As of 16 Nov 2020	As of 15 Feb 2021
GDP	4.2	2.3	-6.1	3.5 - 4.5	2.5 - 3.5
Private Consumption	4.6	4.0	-1.0	2.4	2.0
Public Consumption	2.6	1.7	0.8	4.7	5.1
Private Investment	4.1	2.7	-8.4	4.2	3.8
Public Investment	2.8	0.1	5.7	12.4	10.7
Exports Value (USD)	7.5	-3.3	-6.6	4.2	5.8
Inflation (%)	1.1	0.7	-0.8	0.7 - 1.7	1.0 - 2.0
Current Accounts to GDP (%)	5.6	7.0	3.3	2.6	2.3

Supporting Factors for 2021

The improvement of the world economy and the global trade volume

+ The continual economic stimulus in major countries



USA

- \$900 billion stimulus package
- \$1.9 trillion stimulus relief bill (as of Feb 5th, 2021, the House gives final approval to budget plan fast tracking the process.



EU

- The EU's long-term expenditure budget for 2021-2027 (1.0743 trillion Euro)
- The "Next Generation EU" economic recovery plan (0.75 trillion Euro)
- EU4Health, the EU's response to Covid-19 (5.1 billion Euro)



JAPAN

- Additional economic relief package (73.6 trillion yen)
- The 106.6 trillion Yen government budget for FY2021

+ The faster-than-expected progress on vaccine approval and distribution in major economies, resulted in a decrease in new infections, specifically in Israel, USA, England, and EU.

Percentage of Vaccinated Persons to Total Populations (%)

Countries/Territories	Current percentage	Projection		
		2021H1	2021	2022H1
Israel	71	>75	>75	>75
UAE	48	>75	>75	>75
England	21	50	>75	>75
USA	14	50	>75	>75
EU	4	20	>75	>75
China	3	40	>75	>75
Indonesia	0.5	7	40	67
South Korea	0	20	>75	>75
Thailand	0	12	50	70

Source: accumulated by NESDC as of Feb 13th, 2021

The drive from public disbursement

+ Public investment tends to accelerate following an increase in capital budget under FY2021's budgetary framework by 32.3 percent, including supports from disbursement under 1-trillion-baht loan, and progress on public infrastructure projects.

(Billion Baht)	Actual Budget		Projection
	FY2019 Total	FY2020 Total	FY2021 Total
Annual Budget	2,783	2,944	3,072
(%YoY)	-0.3	5.8	4.3
Cumulative disbursement (%)	92.8	92.0	93.5
Current Budget	2,396	2,576	2,585
(%YoY)	-0.6	7.5	0.3
Cumulative disbursement (%)	97.8	97.4	98.0
Capital Budget	387	368	487
(%YoY)	1.8	-5.0	32.3
Cumulative disbursement (%)	70.2	66.3	75.0
1-trillion-baht loan		299	510
(%YoY)			75.8

Source: GFMIS

Supporting Factors for 2021

The gradual recovery of Domestic Demand

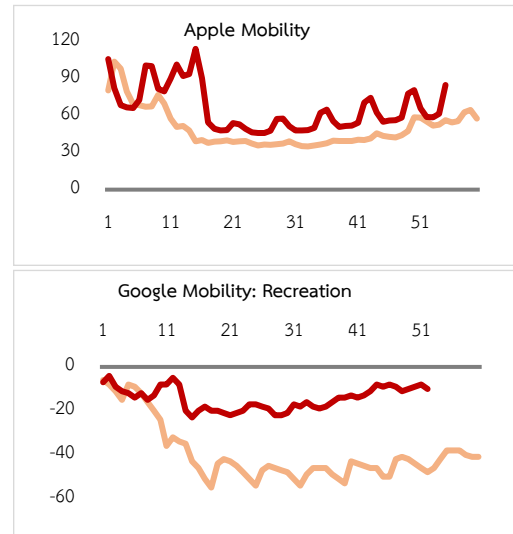
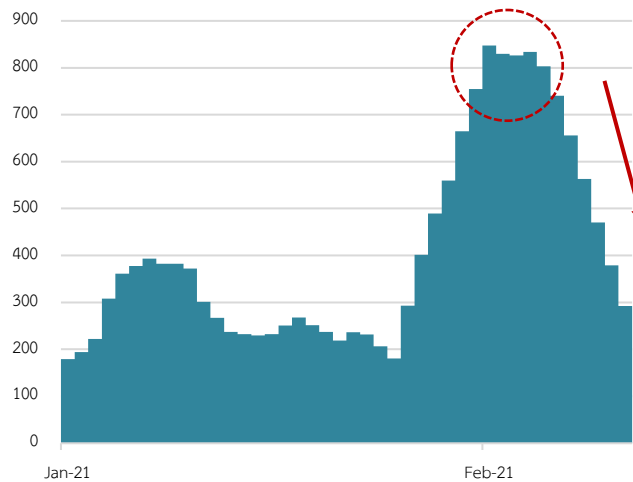
+ The continual support from government measures

- Measure to help stimulate private expenditure
Specifically, Half-Half program, Rao Chana, and Chob-D-mee-Kuen (Tax reduction)
- Measure to help low-income people through social welfare card
- Measure to help fundamental utility expenses (Water bill/Electricity bill/Internet Bill)
- Financial measure to provide liquidity to borrowers

+ The partial lockdown restriction for new infection area

, which allows other areas to continue the economic activities as evidenced by the higher level of commuting and activities compared with the first lockdown.

New Infected Numbers (7 days moving Average: Persons)

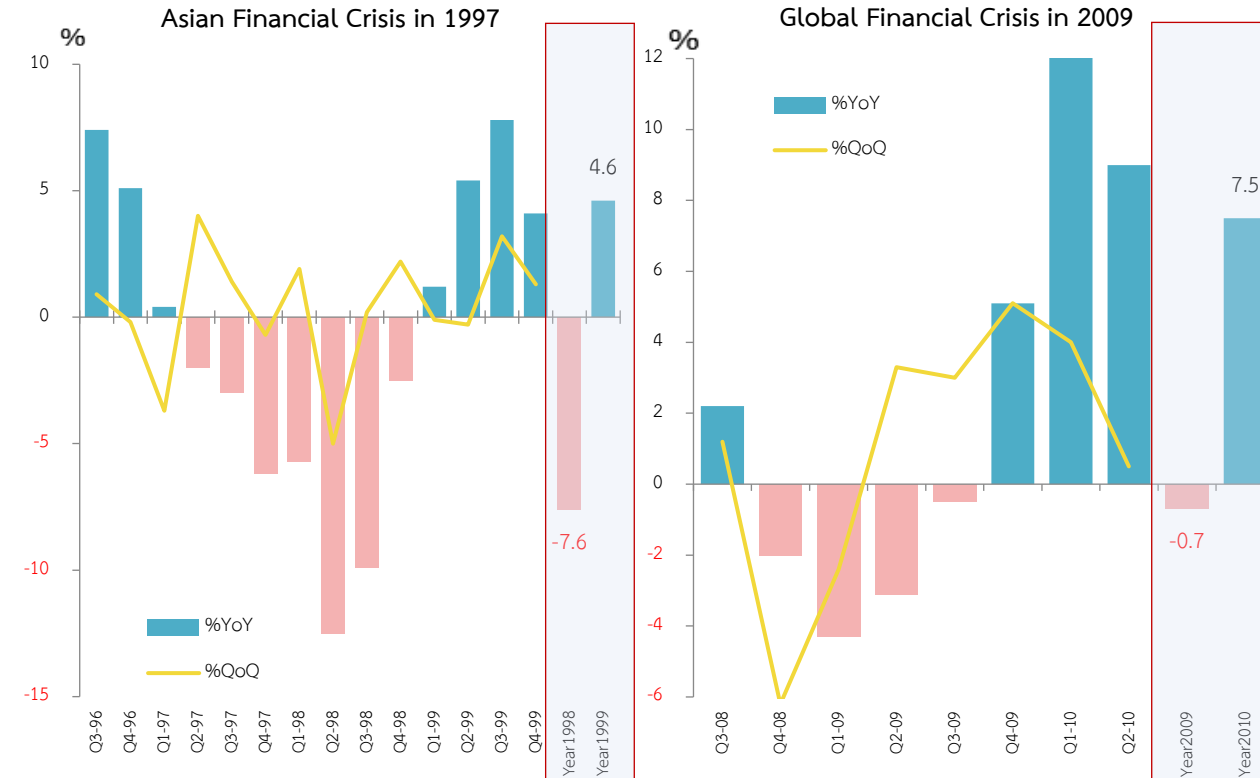


— 1st Wave (From Mar 12th, 2020)
— 2nd Wave (From Dec 19th, 2020)

The unusually low growth base in 2020

+ The expansion after the pandemic will partially support by a low growth base in the previous year

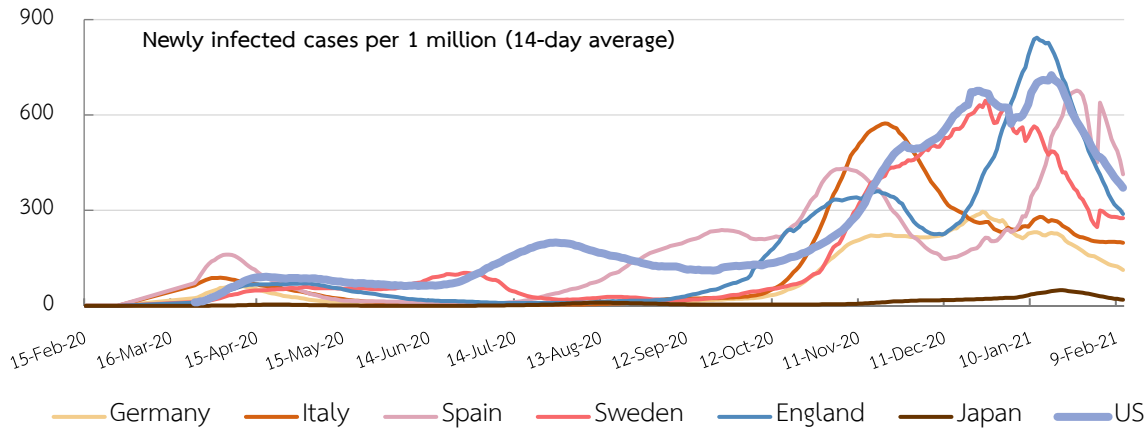
- **Thai economy in 2020 dropped by 6.1 percent**, the first decline in 11 years from 2009, since the drop during Asian Financial crisis in 1998 which fell by 7.6 percent.
- **The world economy in 2020 fell by 3.5 percent**, the lowest level since WWII.



Risks and Limitations to 2021 Economic Growth

The uncertainty of the pandemic situation and the probability of delay in the vaccine rollout

- Newly infected cases tend to decline, but still at a high level



- Uncertainty stemming from delays in vaccine rollout, especially in developing country as well as Uncertainty stemming from vaccines' efficiency, especially against virus mutations.

Vaccine	Dose	Efficacy	Storage
AstraZeneca	2	60-90%	Normal refrigerator
Moderna	2	95%	-20 C
Pfizer-BioNTech	2	95%	-70 C
Gamaleya (Sputnik V)	2	92%	Normal refrigerator
Sinopharm	2	79%	Normal refrigerator
Sinovac	2	50.4%	Normal refrigerator

Source: WHO

The delays in the recovery of the tourism sector

- Impacts from the new wave of outbreak as well as uncertainty of vaccine rollout both in Thailand and abroad.
 - Thailand's international tourists originating countries might implement limited and control international travelling measures longer than expected.

Projection of international tourists	2021				
	Year	Q1	Q2	Q3	Q4
Number (million)	3.2	0.0	0.0	0.4	2.7
%YoY	-52.9	-99.9	-	-	-
Receipt (billion Baht)	32.1	36.5	37.0	59.8	187.7
%YoY	-27.1	-88.7	-17.1	71.8	402.3

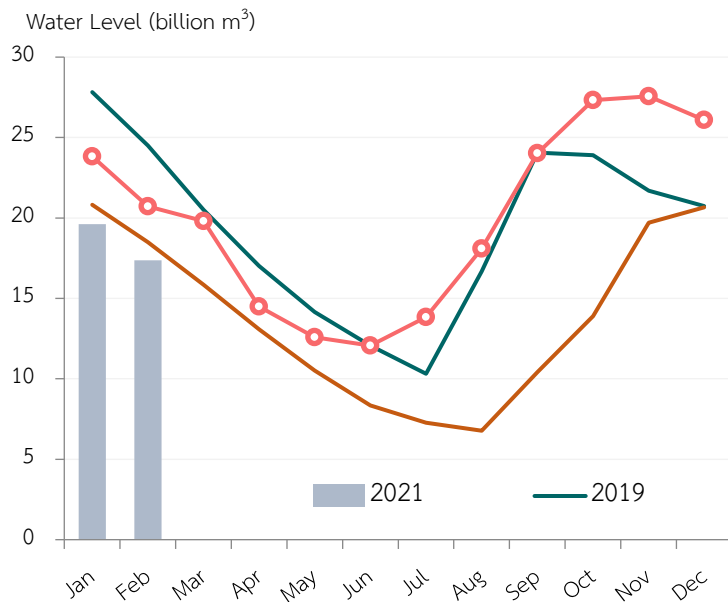
Source: MOTS and BOT, estimated by NESDC.

Risks and Limitations to 2021 Economic Growth

The drought

- **Low level of usable water in all dams and reservoirs.** As of February 11th 2021, the level of usable water was around 16,424 million m³, which accounted for only 23.2 percent of total capacity and lowered than the average level of the same period during the past 10-year.

Usable water level (monthly)

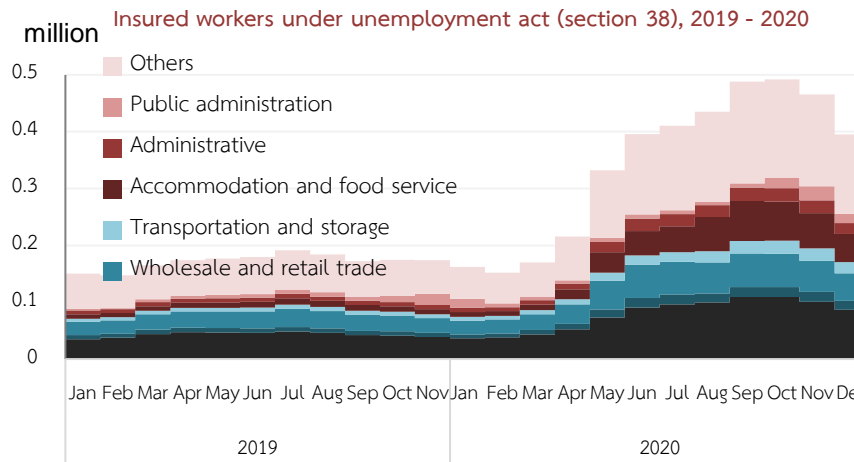
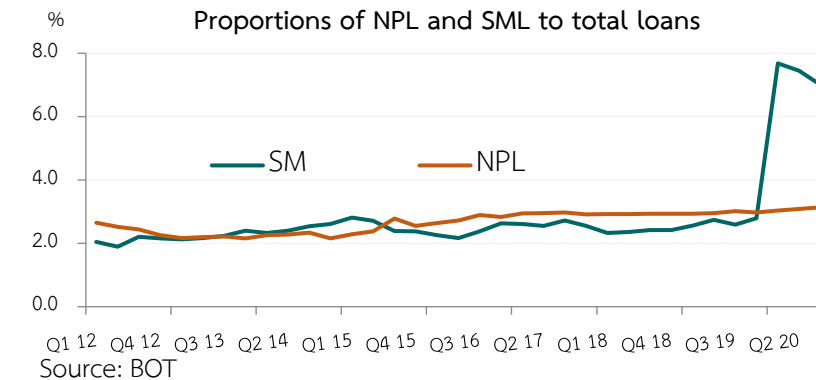


Source: Royal Irrigation Department

Financial situations of households and businesses

While labor market is not fully recovered

- The recoveries of household spending and private investment are limited by financial situations, although government has implemented various measures for supporting and solving liquidity issues as well as debt restructuring.








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Stability in global economic and financial situation

- Policy direction under the new administration of the US president
- **Fluctuations in FDI** under uncertainties in pandemic situation, which, in turn, cause fluctuations in exchange rates and capital flows.
- **Monetary policies adopt by major central banks for the next period**, under a higher inflation pressure causing by economic recovery and higher commodity prices
- **Risk of economic stability**, especially those countries with weak economic structure and fundamental and, at the same time, are facing severe COVID-19 epidemic.
- **Geopolitical conflicts and political instability**

Economic Management for the Year 2021

 <p>1</p> <p>Containing the outbreak and preventing another wave of COVID-19</p>	 <p>2</p> <p>Preserving domestic political environment</p>	 <p>3</p> <p>Supporting affected sectors experiencing limitations on the recovery</p>	 <p>4</p> <p>Sustaining government expenditure and investments</p>
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 <p>5</p> <p>Encouraging export of goods</p>	 <p>6</p> <p>Stimulating private investment</p>	 <p>7</p> <p>Preparations for re-opening to foreign tourists</p>	 <p>8</p> <p>Arranging preemptive measures for drought and effects on farmers' income</p>	 <p>9</p> <p>Cushioning the impact of world economic and financial fluctuations</p>
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Government
Economic
Relief Measures

The Cabinet

Center for Economic Situation
Administration (CESA)

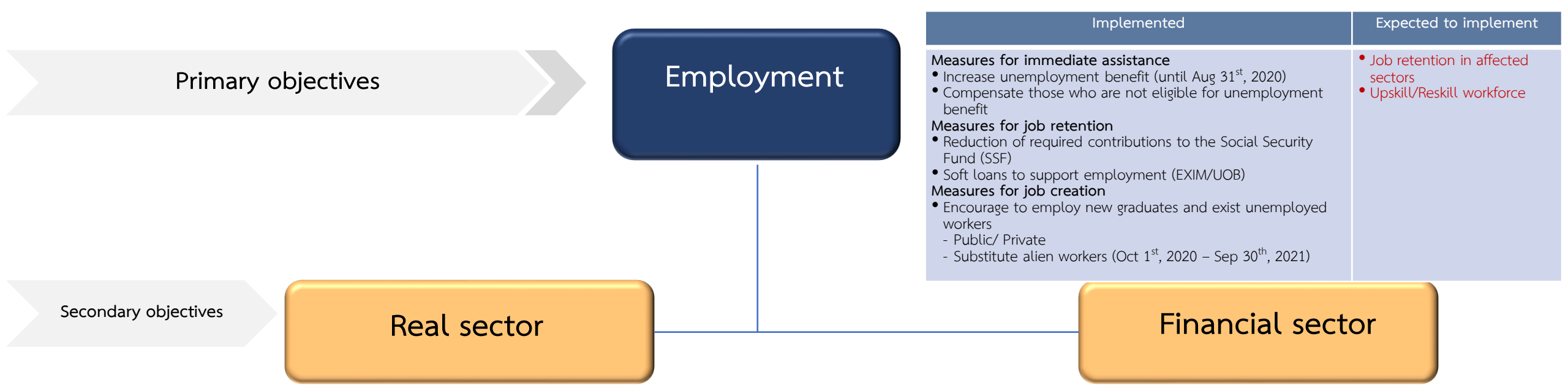
Economic Driving and
Monitoring Committee

Sub-Committee on
Immediate Measures

Sub-Committee on Medium-
and Long-term Measures

Sub-Committee on
Sectoral Economy

Framework for urgent economic measures to alleviate the impact of COVID – 19



	Households	SMEs	Tourism	Implemented	Expected to implement
Implemented	<ul style="list-style-type: none"> Compensation for self-employed workers, vulnerable groups, and agricultural workers/ farmers. Extension of personal income tax filing deadline Reduction of cost of living measure Soft loans from SFIs Boosting consumption <ul style="list-style-type: none"> Increase a credit line of social welfare card (Oct – Dec 2020) KonLaKreung (Co-pay campaign) (Oct 23rd – Dec 31st 2020) Shop dee mee kuen (tax deduction) Rao rak kan (compensation for informal workers/farmers) 	<ul style="list-style-type: none"> Soft Loan Promoting debt restructuring (holding on principal payment, reducing interest rate, extending debt repayment period) Extension of tax filing deadline/ reduction of withholding tax Financial liquidity support to SMEs for 10 billion baht (proposed to the cabinets on Aug 18th by Ministry of Finance) <ul style="list-style-type: none"> Setting the new standard for credit term Measure for attracting foreign investors and specialists/ professionals 	<ul style="list-style-type: none"> 'We Travel Together' domestic travel campaign 'KamLangJai' domestic travel campaign for medical support staffs in local area Workation by private sector's partnership Encourage public sector to hold seminars across the country Opening for Special tourist visa (STV) from Sep 1st, 2020 – Sep 30th, 2021. 	<ul style="list-style-type: none"> Enhanced financial liquidity to stabilize the private bond market Reduced remittances to pay off FIDF debt of commercial banks, financial company, and credit foncier company (financial institutions) 	<ul style="list-style-type: none"> Helps liquidate when necessary (Bank of Thailand) Measures for reducing interest cost for commercial banks, such as repurchasing FIDF Encourage COVID-19 reserves to avoid negative balance sheets
Expected to implement	<ul style="list-style-type: none"> Additional registration of welfare card 	<ul style="list-style-type: none"> Encourage big company improve productivity and offer business opportunity for SMEs Encourage productivity of SMEs at local level 	<ul style="list-style-type: none"> Travel bubble Open for foreign tourist in certain area as sandbox Manage on oversupply in tourism sector Uplift the quality of tourism sector 		

The current government relief measures to alleviate the impact of COVID – 19

1

Liquidity injections for businesses and citizens

Measures/Projects	Time Frame (Budget)
Emergency loans for self-employed workers and affected workers (Government Saving Bank)	Extended to June 30 th , 2021 (25 billion baht)
The empowering loan for affected worker in any occupations (Government Saving Bank)	Extended to June 30 th , 2021 (10 billion baht)
Soft loan for tourism and related businesses which are directly- and indirectly affected from COVID-19 (Government Saving Bank sponsored other financial institutions)	Submit by Dec 30 th , 2020 (60 billion baht)
Loan for land owner's SMEs (Government Saving Bank)	Submit by Feb 28th, 2021 Total budget of 10 billion baht (including 5 bill. baht additional budget)
Loans for affected SMEs (Thai Credit Guarantee Corporation)	Submit by Jan 31 st , 2021 (5 billion baht)
Loans for self-employed workers and affected workers (Bank for Agriculture and Agricultural Cooperatives)	Submit by Dec 30 th , 2020 (20 billion baht)

Measures to mitigate debt burden Specialized financial institutions categorized borrowers following their leverage and applied additional measures to specific cases.

Specialized Financial Institutions (SFIs)	Measures/Projects
Small and Medium Enterprise Development Bank of Thailand (SMEs Bank)	Normal borrowers: Suspending principal repayment for 6 months and can be extended up to Dec 2021. Providing particular measure for each borrowers with overdue or decrease in leverage.
Government Housing Bank (GHB)	Suspending principal repayment for 3 months with monthly interest-only payment. Suspending both principal and interest repayments for specific borrowers who participate in GHB's COVID-19 mitigating program.
Government Saving Bank	Suspending both principal and interest repayments for those who live in 28-highly controlled provinces, which can submit application from Jan 8-31, 2021 with 3-6 months time frame.

The current government relief measures to alleviate the impact of COVID – 19

2 Measures to support affected workers and employers

1. Reduction of the contributions to the social security fund

- Reduction of the contributions for employees to 3 percent from Jan – Mar, 2021.
- Reduction of the contributions for employers to 3 percent from Jan – Mar, 2021.

2. Increasing unemployment benefits

- **Laid off workers** receiving compensation by 70 percent of their wage up to 200 days per year (from 50 percent up to 180 days)
- **Resigned workers** receiving compensation by 45 percent of their wage up to 90 days per year (from 30 percent up to 90 days).
- **Force Majeure*** receiving compensation by 50 percent of their wage up to 90 days.


• **Partial close of business or completely close business under section 75**

Employers temporarily pay employees no less than 75 percent of their wage.

3. Employment support for newly graduates from public and private sectors

4. Loan for employment support

5. Medical assistant for insurers who may have or expose to COVID-19

by providing soft-loan from the Social Security Office and financial institution 

6. Active COVID-19 monitoring

Note: * For workers who are unemployed or not allowed to work due to quarantine regulation regarding COVID-19 or those employees whose company stop operations either partially or completely due to temporarily closing regulation from the government will receive unemployment benefits under a ministerial regulation on unemployment benefits in the event of force majeure arising from the outbreak of dangerous diseases under the Communicable Disease Act 2020, dated 30 December, 2020.

3 Measures to mitigate fundamental utility expenses

1. Support electricity and fuel expenses

- Maintained prices of LPG and cooking gas at the refinery to keep retail prices at 318 baht per 15-kilogram canister between Jan 1st – Mar 31st, 2021 (total value of 1.89 billion baht).
- Reduced Ft surcharge to collect from the customers in the electricity invoice from -12.43 to -15.32 Satang/unit (excluding VAT) during Jan 1st – Apr 30th, 2021, which will reduce the surcharge by 2.89 Satang/unit.
- Delaying the minimum electricity charge for medium-to-large business, NGOs, and irrigation for agricultural for 3 months, from Jan 1st – Mar 31st, 2021.

2. Support electricity and water expenses for those with national social-welfare card.

- **Electricity:** Free of charge if electricity usage is lower than 50 units per month, partial subsidize if using more than 50 units but lower than 230 baht, and no subsidy for those who use more than 230 baht.
- **Water:** Subsidize if water usage is lower than 100 baht per month and no subsidy for those using more than 100 baht per month.



The urgently proposed relief measures for Thais and business owners (Jan – Mar 2021)

1 The measures mitigate fundamental utility expenses for general public



Water expenses support

10 percent reduction for 2 months (for February and March 2021's water bills)

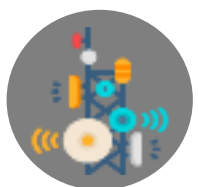
Users	Person (unit: million people)
Small residences and enterprises	6.76



Electricity expenses support

2-month support (for February and March 2021's electricity bills)

Process' guideline	Person (million)
	23.70
Less than 150 units: First 90 units are free for all users	10.13
More than 150 units: Readjust the price	11.83
Small businesses/enterprises: First 50 units are free for all users	1.74



Internet expenses support

Assigned Ministry of Digital Economy and Society and the Office of the National Broadcasting and Telecommunications Commission to cooperate with telecommunication network's providers to consider reducing households' internet expenses.

The urgently proposed relief measures for Thais and business owners (Jan – Mar 2021)

Measures



Processing guideline/key authorities

2 Providing COVID-19's protection equipment



Ministry of Commerce cooperates with Ministry of Interior, Ministry of Industry, and other related institutions.

3 Policy to support factory quarantine's businesses



Ministry of Interior assigns provincial governor to cooperate with related departments to help business owners.

4 Adjusting the conditions of "We travel Together" program



Tourism Authority of Thailand considers to adjust program's condition in order to help participants who struggle and cannot travel due to the resurgence of COVID-19.

5 Support financial liquidity and debt issues for commercial bank



Ministry of Finance cooperates with Bank of Thailand to discuss for additional financial liquidity and debt issues for commercial banks.

6 Additional labor support policy



Ministry of Labor follows and accelerates measure relating to newly graduates' employment support from public and private partnerships or Government Co- Payment program.

A summary report of the approval and disbursement of loans and other funds for all 3 plans / projects

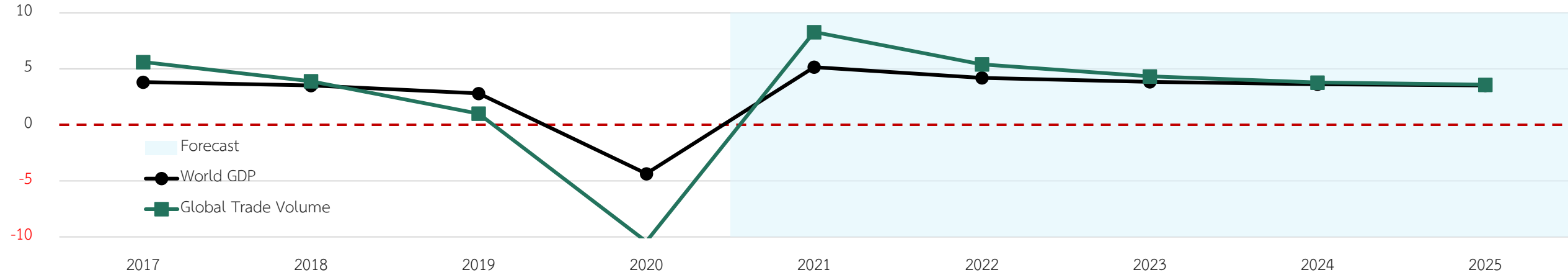
Unit: Million(s) of Baht	Allocated	Approved	Remaining	Disbursed as of 13 Feb 21	Percent
Plans/projects under group 1 related to medical and healthcare purpose	45,000.0	19,698.1	25,301.9	3,864.7	19.6
1.1 To support the expenses for medical staffs		3,150.9		2,074.1	65.8
1.2 For the procurement of medical equipment, vaccines, and medical laboratories		2,359.0		6.8	0.3
1.3 For the preparation of treatment or decease control		2,999.7		0.0	58.5
1.4 For the preparation of hospital/nursing home		9,781.9		1,755.3	0.0
1.5 Public health plans/projects for the emergency response due to the coronavirus outbreak		1,406.7		28.5	2.0
Plans/projects under group 2 related to supporting, alleviating, compensating purpose	600,000	595,853.20	4,146.8	352,114.40	59.1
2.1 To alleviate and compensate the people		445,450.70		238,811.90	53.6
2.2 Farmer assistance projects		113,302.50		113,302.50	100.0
Plans/projects under group 3 related to economic and social recovery	355,000	133,121.40	221,878.6	46,756.40	35.1
3.1 To strengthen the local economy		29,451.70		103.7	0.4
3.2 To develop local economic and overall sustainable growth		9,415.10		445.4	4.7
3.3 To stimulate consumption and tourism		94,254.50		46,207.30	49.0
3.4 To develop infrastructure		-		-	
Total	1,000,000.0	711,527.7	288,427.3	402,735.6	56.6

Source: NESDC Remarks: 45,000 million Baht budget was reallocated from group 3 to group 2, which was in accordance with section 6 (3) of the decree

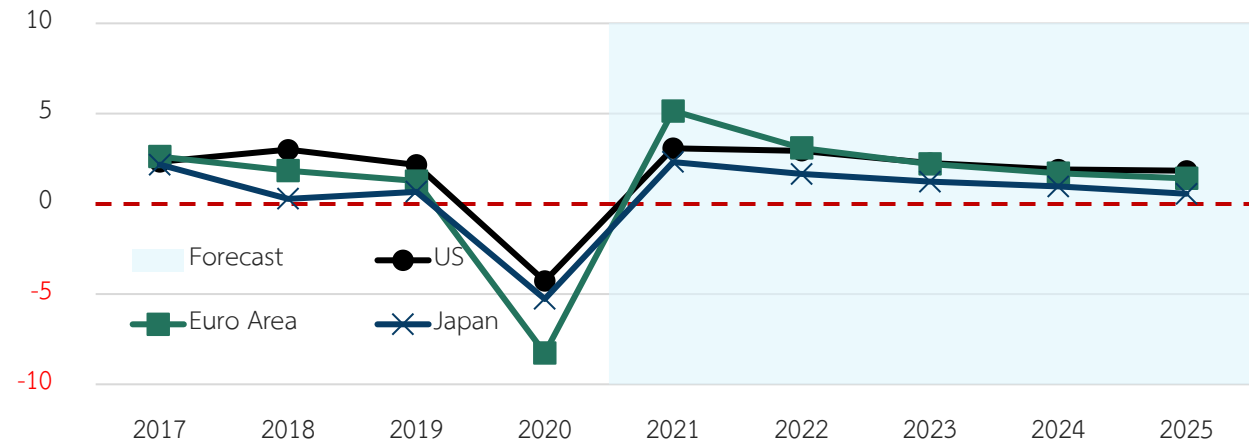
THAI ECONOMIC OUTLOOK FOR 2022 – 2025

Medium-term world economic forecasts

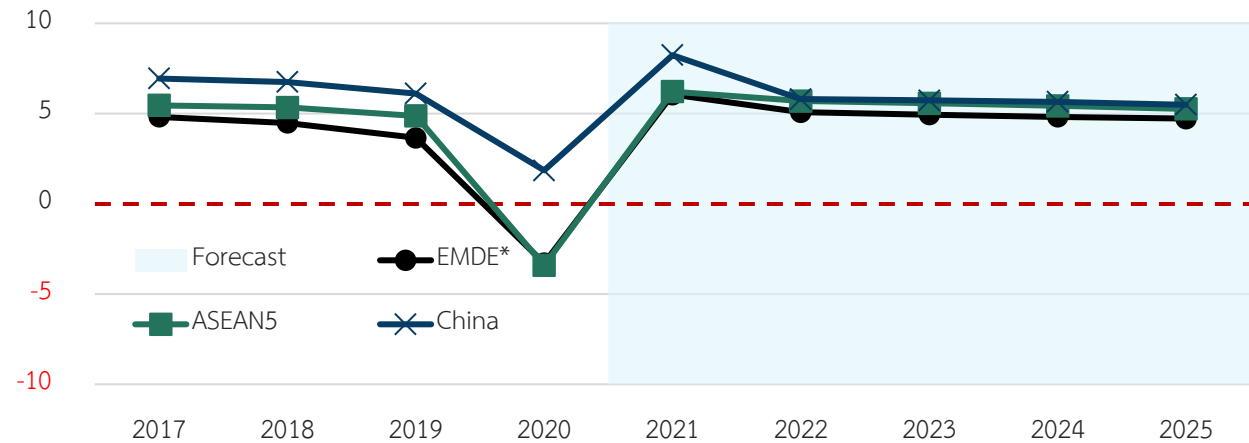
World economic and global trade volume growth (%YoY)



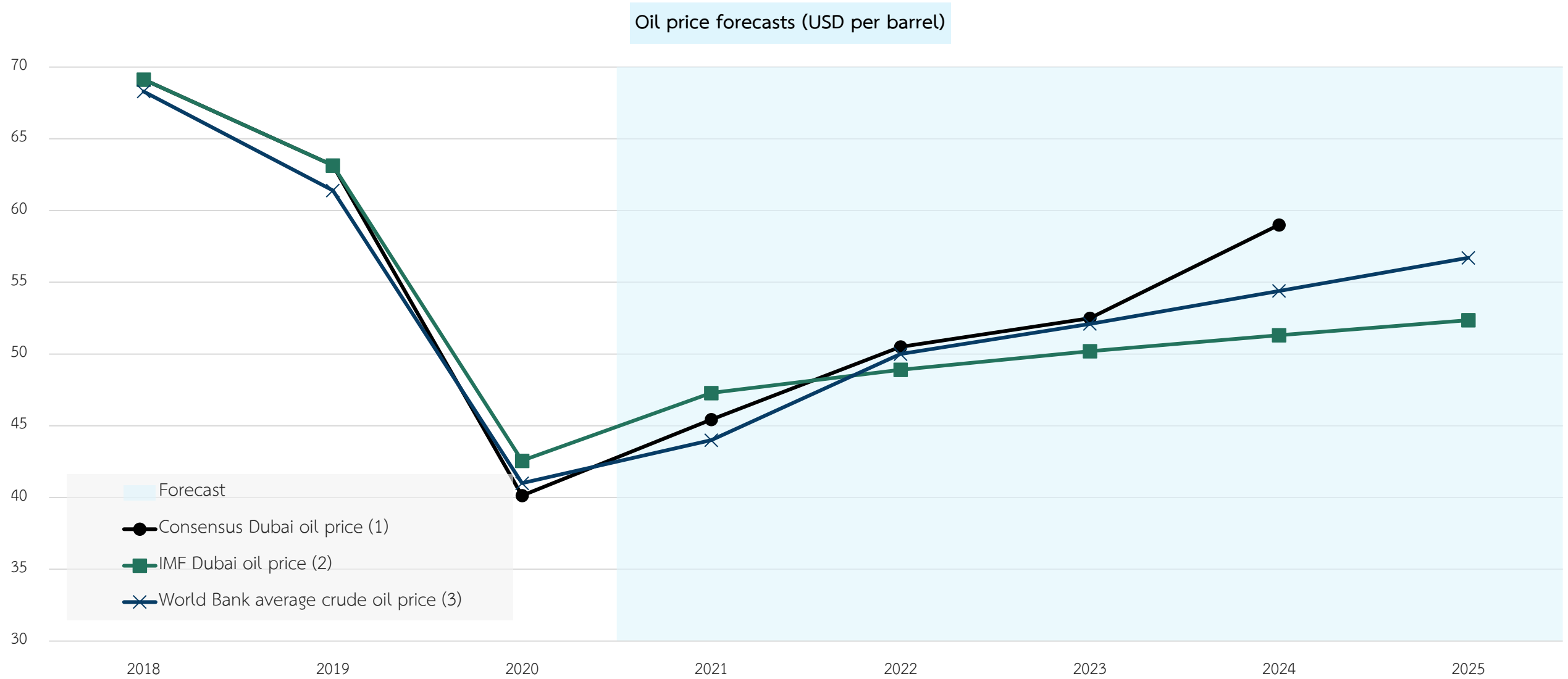
Economic growth of G3 economies (%YoY)



Economic growth of emerging economies (%YoY)



Medium-term oil price forecasts



Thai Economic Projection 2022 – 2025

(%YoY)	Projection			
	2022	2023	2024	2025
GDP (Current, billion THB)	16,984.0	17,527.5	18,123.5	18,794.0
GDP per capita (USD)	8,054.3	8,331.8	8,702.0	9,125.9
GDP Growth (%)	3.0 – 4.0 (3.5)	2.7 – 3.7 (3.2)	2.9 – 3.9 (3.4)	3.2 – 4.2 (3.7)
Inflation (%)	0.7 – 1.7 (1.2)	0.7 – 1.7 (1.2)	0.8 – 1.8 (1.3)	0.9 – 1.9 (1.4)
Current Account (% of GDP)	5.3	6.2	6.6	6.7



Thank You