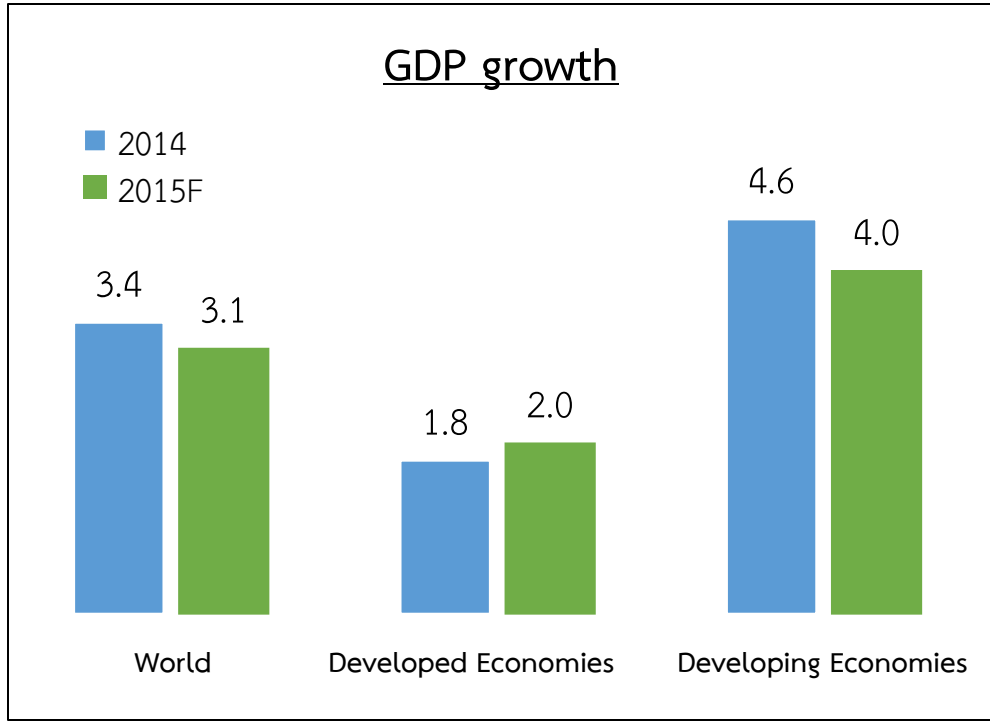


# Thailand: The Next Growth Phase

Apisak Tantivorawong  
Minister of Finance



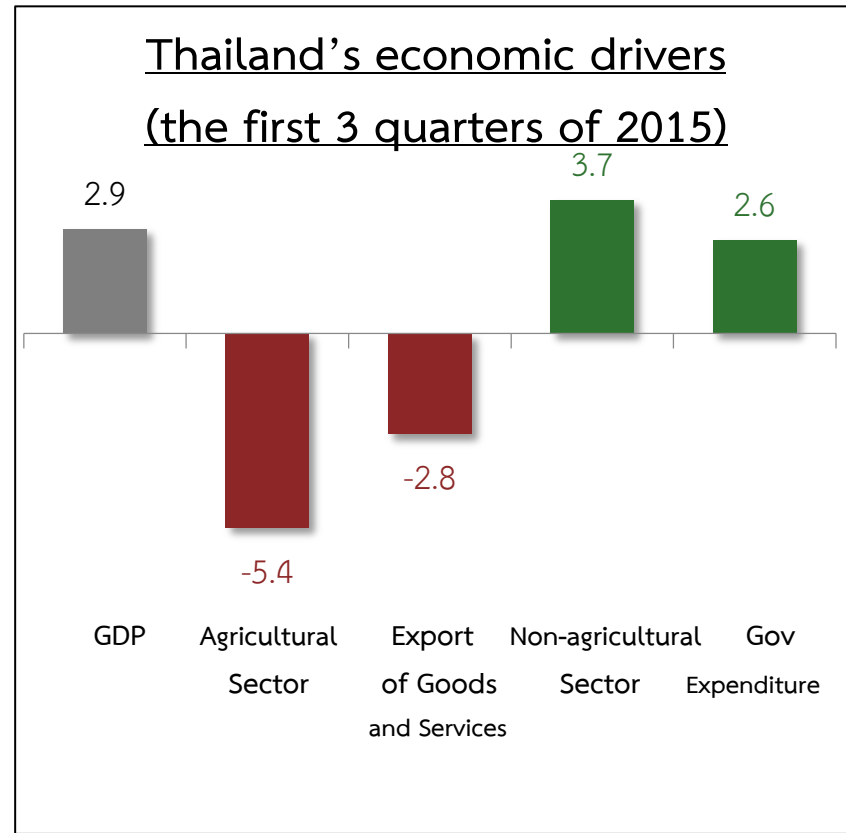
# Global economic condition can be described as “New Normal”



Slowdown in global growth and trade  
Global financial volatility  
Low commodity prices



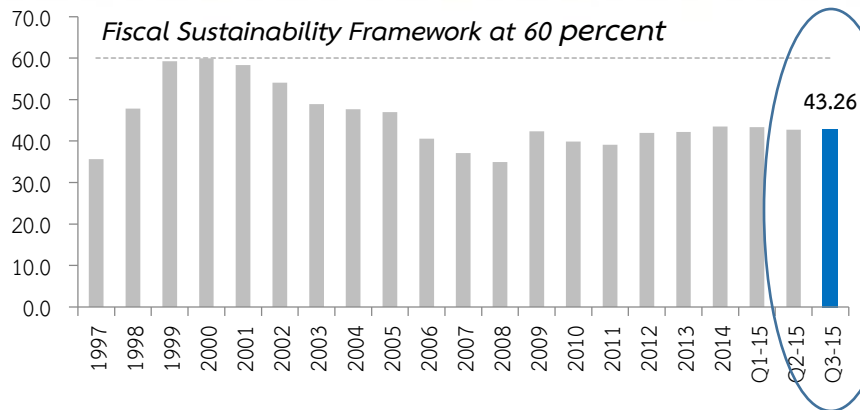
# Thailand’s economy under the “New Normal”



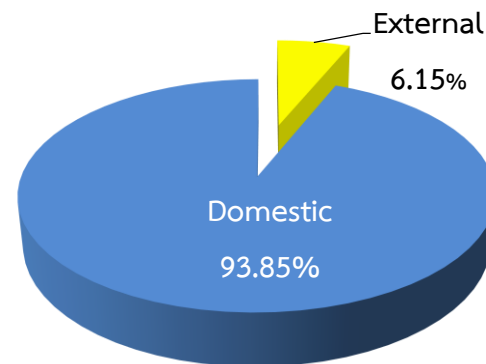
— Contraction in agricultural sector and export of goods and services  
+ Increase in government expenditure and tourism

# Fiscal and financial indicators show financial soundness both in government and financial sectors

## Public Debt to GDP

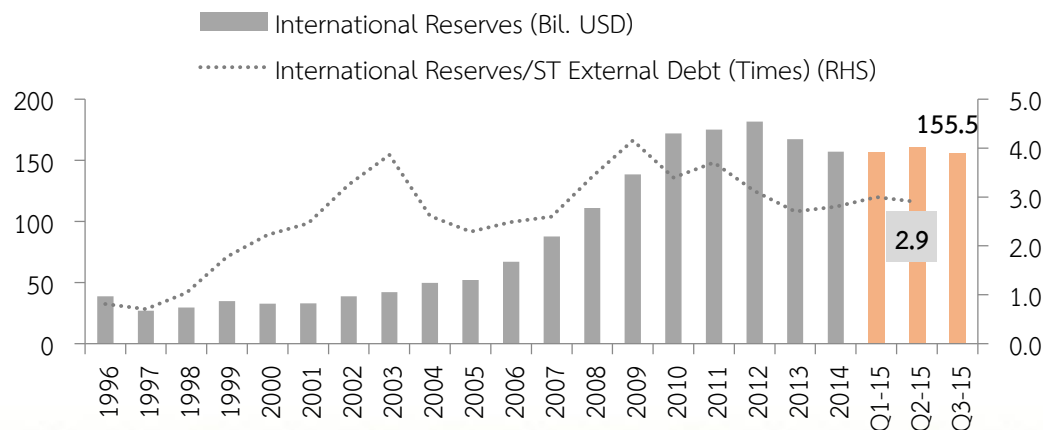


As of September 2015 approximately 94% of public debt is in local currency, the government exposure to FX just 0.89% of total gov't debt



# Economic stabilities remain strong providing resiliency to the Thai economy to withstand negative shocks

## International Reserves



# Next Growth Phase of Thailand

## Step 1: Creating a strong foundation for Thailand

### Political Stability

- Clear plan towards a new constitution and general election

### Economic Stability

- Soft loans have been provided through 60,000 village funds to help farmers and low income earners
- Financial assistance through soft loan, portfolio guarantee, venture capital funds, and several tax incentives have been provided to help SMEs



# Next Growth Phase of Thailand

## Step 2: Strengthening the existing S-curves

Fiscal stimulus

For FY2016, the Government planned a fiscal deficit of 390 billion Baht (2.9% of GDP)

Current measure to incentivize private investment

Double depreciation allowance for investment expenditures

Eligible assets include machinery and parts, equipment (and other apparatus), computer program, and automobile and building



# Next Growth Phase of Thailand

## Step 3: Seeding the New S-curves

Infrastructure development

The Government will continue the multi-trillion Baht infrastructure plan to improve connectivity in the rail, road, air, and waterway transportation



PPP Fast Track

This measure which shortens PPP process from 20 months to 9 months will greatly reduce burden for private participation in public projects

The Government will also create Thailand Future Fund to reduce fiscal burden for private participation in those public projects

Super cluster development and “New Growth Engine”

Tax and non-tax incentives will be given to super clusters and 10 targeted industries (First S-Curve and New S-Curve) to promote more investment in Thailand

Financial infrastructure development - National e-Payment System

Improvement of the ease of doing business

Hard  
infra

Soft  
infra

## 6 mega-projects are ready for bidding process in 2015

Project	Budget
Intercity motorways: Pattaya – Mabtaput	20,200 mil Baht
Intercity motorways: Bangpa In – Saraburi – Korach	84,600 mil Baht
Rail network (double tracks): Jira Road – Khon Kaen	26,005 mil Baht
Suvarnabhumi International Airport development	51,607 mil Baht
Laem Chabang Sea Port development (Port A)	1,864 mil Baht
Laem Chabang Shipping Center development	2,031 mil Baht
Total	<u>186,308 mil Baht</u>



# 14 more projects will start bidding in 2016

Project	Budget
Intercity motorways: Bang Yai – Baan Pong - Kanchanaburi	55,620 mil Baht
MRT Orange line (Cultural Center - Minburi)	110,117 mil Baht
MRT Pink line (Karai - Minburi)	56,691 mil Baht
MRT Yellow line (Ladprao - Samrong)	54,644 mil Baht
SRT Light Red line & Dark Red line in suburb areas	44,158 mil Baht
MRT Purple line (Taopoon - Ratburana)	131,004 mil Baht
Rail network (double tracks): Prachuap Khiri Khan - Chumphon	17,291 mil Baht
Rail network (double tracks): Marbkabao – Jira Intersection	29,853 mil Baht
Rail network (double tracks): Nakornpathom – Hua Hin	20,037 mil Baht
Rail network (double tracks): Lopburi - Paknampho	24,841 mil Baht
Medium-speed railway project (Thailand – China)	369,149 mil Baht
High-speed railway project (Thailand-Japan): Bangkok - Chiangmai	449,474 mil Baht
Railway network (standard guage): Bangkok - Huahin	94,673 mil Baht
Railway network (standard guage): Bangkok - Rayong	152,528 mil Baht
<b>Total</b>	<b>1,610,078 mil Baht</b>

# 10 targeted industries which will be given investment privileges

## 5 existing industries (First S-Curve)

- Next-Generation Automotive
- Smart Electronics
- Affluent, Medical and Wellness Tourism
- Agriculture and Biotechnology
- Food for the future

## 5 new industries (New S-Curve)

- Robotics
- Aviation and Logistics
- Biofuels and Biochemicals
- Digital
- Medical hub

These industries will be granted BOI privileges and tax incentives. The Government also plan to set up Competitiveness Enhancement Fund to attract private companies to invest in Thailand



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