

Fiscal Experiences of ASEAN Members

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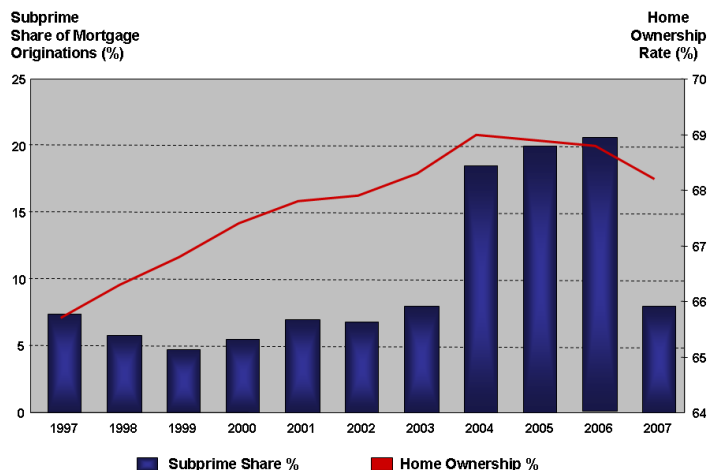


1. Global Economic Imbalance (1)

Global economic imbalance is the major of financial and economic crises in the present day.

- Global financial crisis starting from US (Over-leveraging)

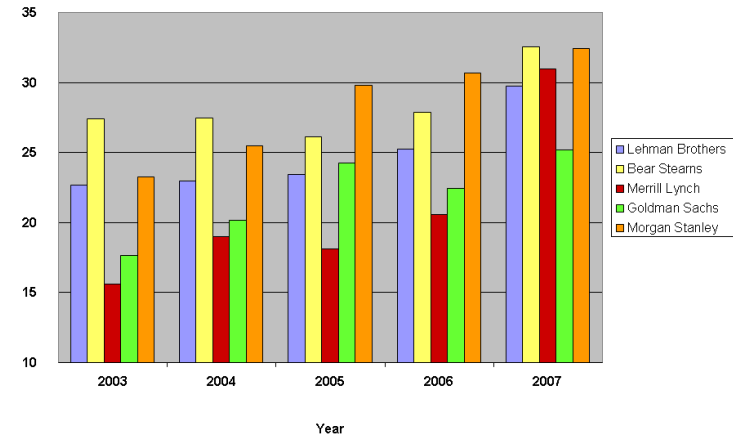
U.S. Subprime Lending Expanded Significantly 2004-2006



Sources: U.S. Census Bureau; Harvard University- State of the Nation's Housing Report 2008

Leverage Ratios For Major Investment Banks

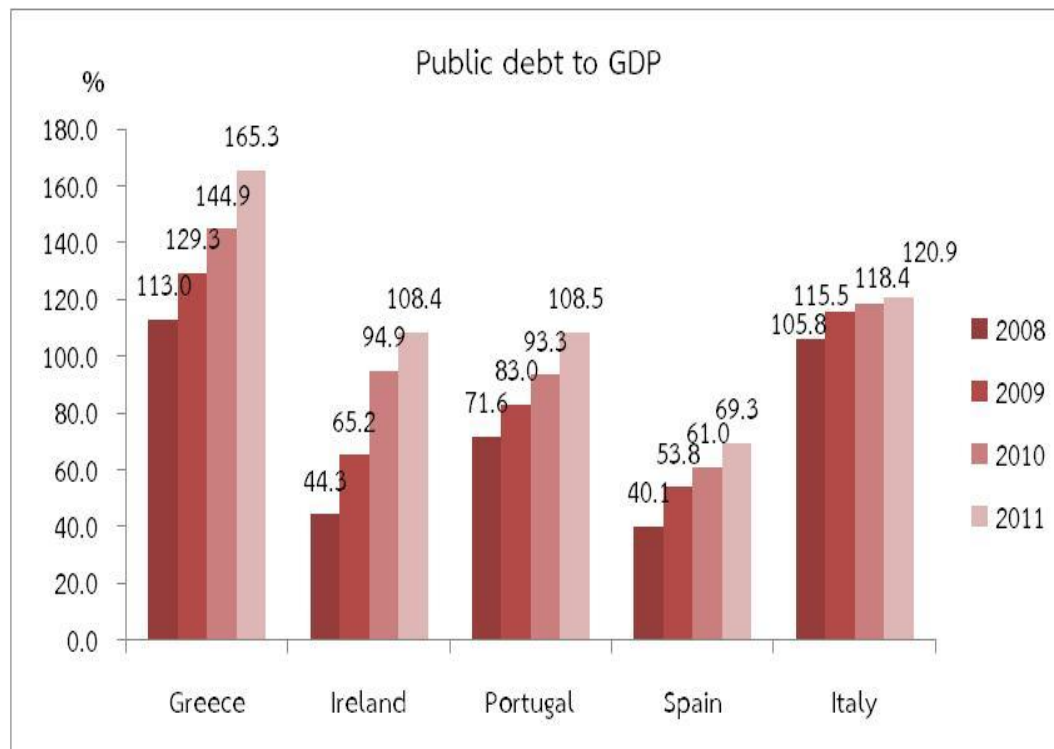
The leverage ratio is a measure of the risk taken by a firm; a higher ratio indicates more risk. It is calculated as total debt divided by stockholders equity. Each firm's ratio increased between 2003-2007.



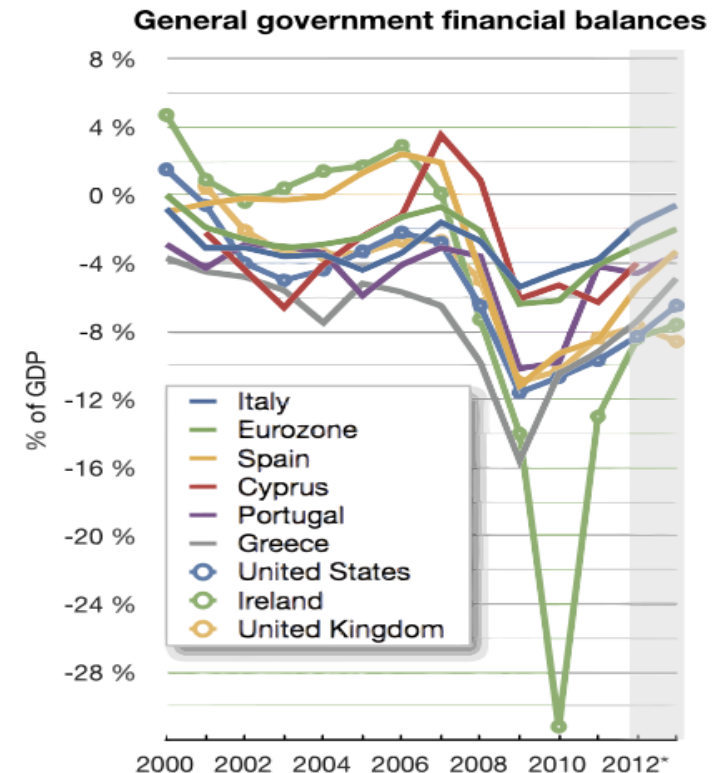
Source Data: Company Annual Reports (SEC Form 10K)

1. Global Economic Imbalance (2)

- European sovereign-debt crisis (Over-fiscal spending)



Source: Eurostat

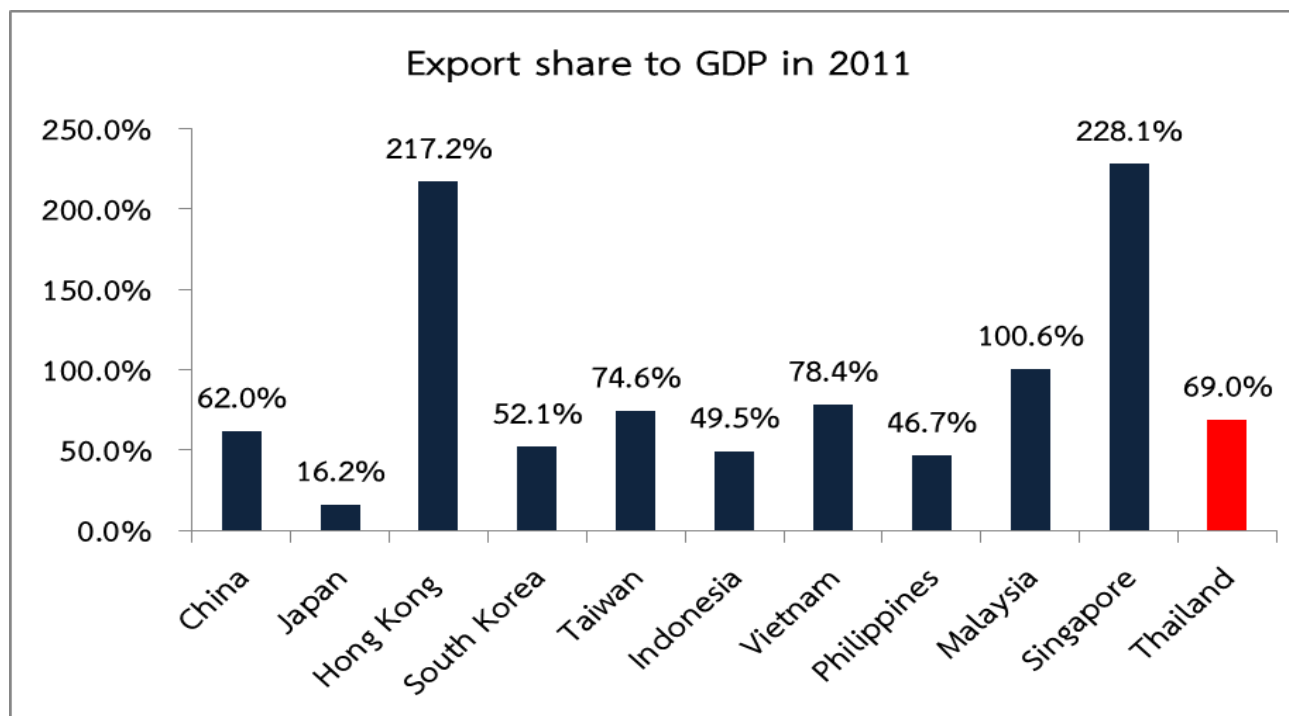


Source: Eurostat and OECD

* 2012-2013 OECD estimates from May 2012

1. Global Economic Imbalance (3)

- High dependency to global demands to the economic growth in Asia



Source: National Statistics

1. Global Economic Imbalance (4)

Global economy has to be rebalanced.

- US and Euro zone : maintaining fiscal discipline
- Asian countries : finding the new and sustainable source of growth
 - Shifting the world economic leaders from US and Europe to Asian countries in particular China, Japan, and ASEAN countries.

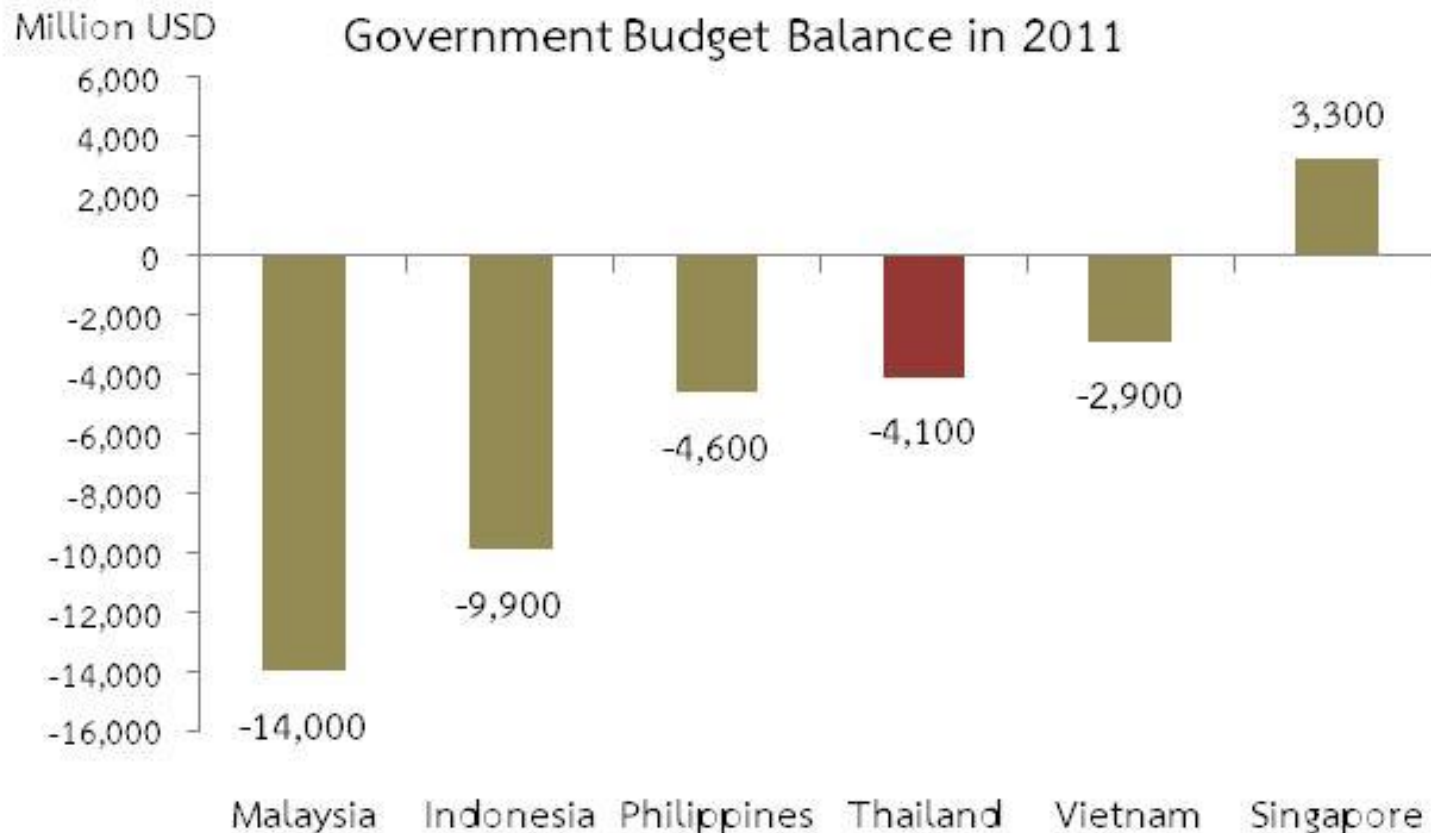
2. ASEAN Government Measures (1)

- Policy implementations in ASEAN economies, which are similar, focus on a balancing growth between internal and external sectors.
 - Strengthen the domestic demand
 - Enhance the sustainable growth from economic fundamentals.
 - Diversify an export market toward high growth economies
 - Keep on fiscal discipline

2. ASEAN Government Measures (2)

- Selected ASEAN current public policies
 - Singapore : 1.6 billion USD to increase population
 - Indonesia : minimum wage increase
 - Malaysia : enhancement of the existing public-private partnership in development projects, keep the price of necessary goods
 - Philippines : diversify export goods and export markets

2. ASEAN Government Measures (3)

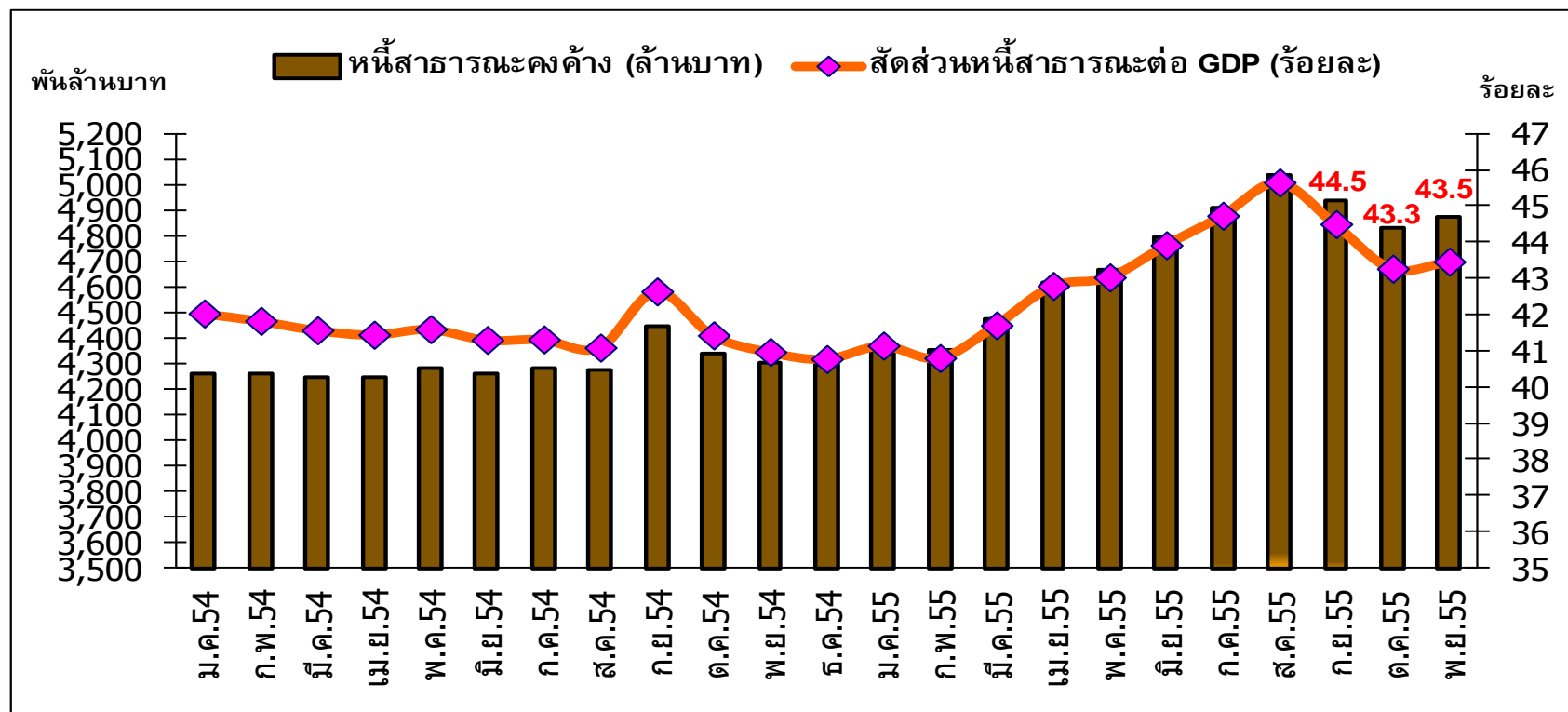


3. Thai fiscal policies (1)

- Like other ASEAN countries, Thailand uses an opportunity to strengthen the economic fundamental amid the global economic slowdown.
 - Infrastructure investment (2 trillion baht)
 - Water management project (350 billion baht)
 - Price and income support
 - Increase in minimum wage to 300 baht per day and monthly salary for bachelor degree holders in the public sector
 - Rice pledging scheme
 - Price control on basic necessities
 - Extension of diesel excise tax cut

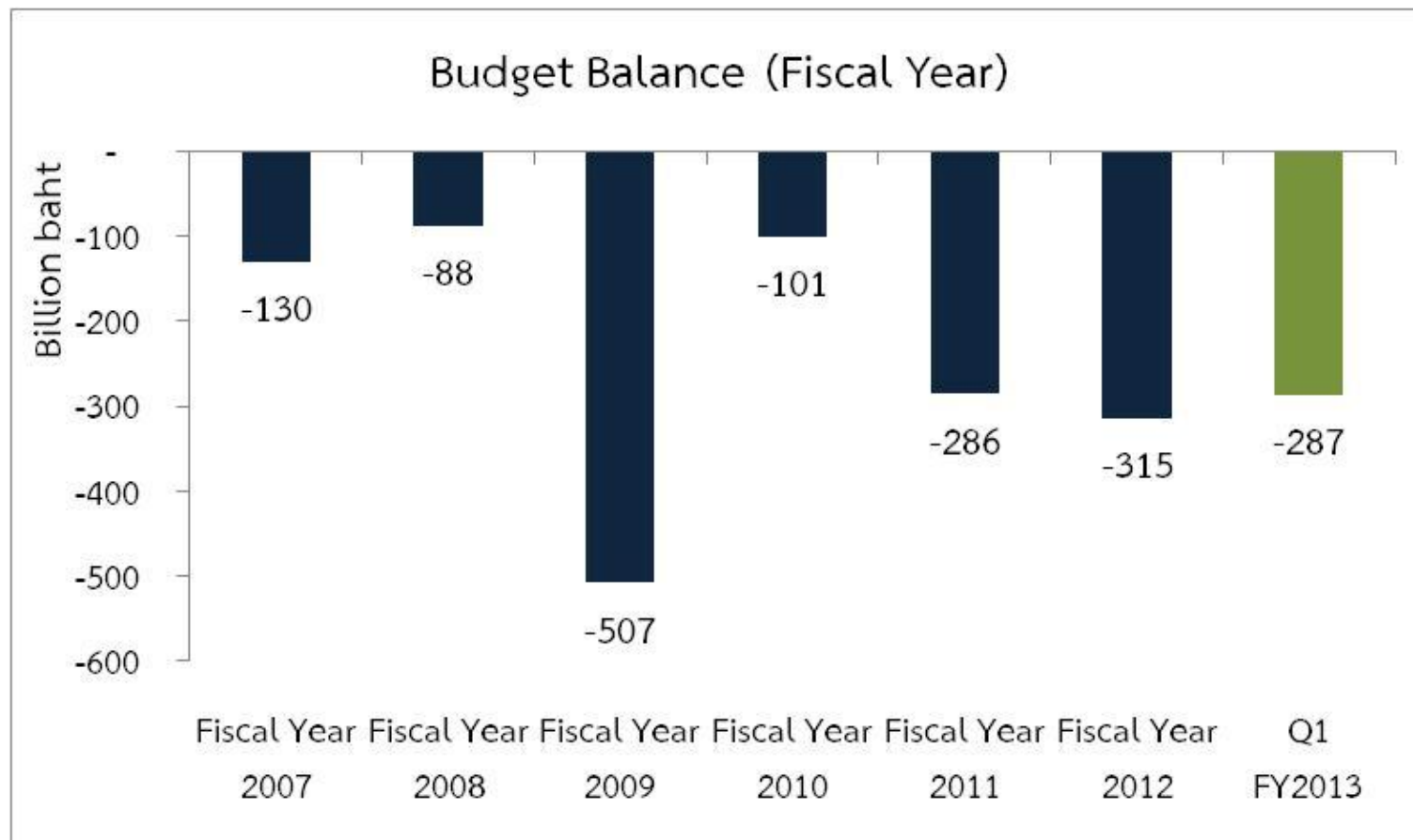
3. Thai fiscal policies (2)

- Thai government has already taken into account the fiscal sustainability.



Source: MoF

3. Thai fiscal policies (3)



Source: MoF



Q & A