

Smaller deficit okayed for fiscal 2014

- Published: [13 Feb 2013](#) at 00.00
- Bangkok Post Newspaper section: [Business](#)

The government yesterday approved a smaller budget deficit for fiscal 2014 _ less than 2% of gross domestic product _ than in the current fiscal year.



Varathep: Exports will grow by 14.5%.

The budget deficit for fiscal 2013 ending this Sept 30 is set at 2.5%.

PM's Office Minister Varathep Rattanakorn yesterday said the cabinet approved the fiscal 2014 budget framework based on expected economic growth of 4.5% during that year and GDP worth 13.1 trillion baht.

Total investment is estimated to grow by 8.2% and household consumption by 3.5%. Inflation is expected to stand at 3.2%, while exports will grow by 14.5%, up from estimated growth of 12.2% growth for fiscal 2013.

Mr Varathep said for fiscal 2014, the government will run a budget deficit of 1.9% of GDP or 250 billion baht, down from 2.5% of GDP or 300 billion in fiscal 2013.

Government's expenditures in fiscal 2014 will increase to an estimated 2.53 trillion baht from 2.4 trillion this fiscal year, with revenue projected at 2.28 trillion, up from 2.1 trillion.

The state believes increased public and private investment and household consumption will be the main factors driving economic growth this fiscal year and next, especially spending on infrastructure and water management projects.

The government also feels a recovering world economy will help to drive export and economic growth, particularly in the second half of fiscal 2013 and into 2014.

However, inflation is expected to increase slightly in fiscal 2014 on the back of rising oil prices.

Inflation is expected to stay in a range of 2.5% to 3.5% this fiscal year.

Thailand has run a budget deficit in 13 of the past 15 fiscal years, the exceptions being 2005 and 2006.

For fiscal 2013, the expenditure budget is set at 2.4 trillion baht, a deficit of 300 billion compared with 400 billion or 3.5% of GDP in fiscal 2012. The investment budget is set at 448 billion baht this fiscal year or 18.7% of total expenditure, up from 438 billion in fiscal 2012.

Fiscal 2014's investment budget has been set at 457 billion baht.