
1 Thailand Budget Frameworks in Time Series (FY2016 - FY2023)

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Thailand Budget Frameworks in Time Series

Annual Budget Setting

Million THB

Budget Framework	2016	2017	2018	2019	2020	2021	2022	2023
1. Expenditures	2,776,000.0	2,923,000.0	3,050,000.0	3,000,000.0	3,200,000.0	3,285,962.5	3,100,000.0	3,185,000.0
(% of GDP)	19.8	19.3	18.5	17.1	20.1	20.0	18.3	17.8
1.1 Current Expenditure	2,127,778.9	2,155,686.0	2,236,946.2	2,272,656.3	2,403,694.4	2,537,652.3	2,373,009.5	2,390,000.0
(% of Budget)	76.6	73.8	73.3	75.8	75.1	77.2	76.5	75.0
1.2 Capital Expenditure	564,354.3	659,048.9	676,469.6	649,138.2	644,425.7	649,310.2	611,933.4	695,000.0
(% of Budget)	20.3	22.5	22.2	21.6	20.1	19.8	19.7	21.8
1.3 Principal Repayment	61,991.7	81,186.8	86,942.3	78,205.5	89,170.4	99,000.0	100,000.0	100,000
(% of Budget)	2.2	2.8	2.9	2.6	2.8	3.0	3.2	3.1
1.4 Treasury Reserve Repayment	21,875.1	27,078.3	49,641.9	-	62,709.5	-	596.7	-
(% of Budget)	0.8	0.9	1.6	-	2.0	-	0.02	-
2. Receipts	2,386,000.0	2,370,078.3	2,499,642.0	2,550,000.0	2,731,000.0	2,677,000.0	2,400,000.0	2,490,000
(% of Budget)	17.0	15.6	15.2	15.0	17.1	16.3	14.1	13.9
3. Budgetary Balance	(390,000)	(552,921.7)	(550,358.0)	(450,000)	(469,000)	(608,962.5)	(700,000)	(695,000)
(% of Budget)	(2.8)	(3.6)	(3.3)	(2.6)	(2.9)	(3.7)	(4.1)	(3.9)
4. GDP	14,034,300.0	15,185,500.0	16,457,300.0	16,879,000.0	15,610,200.0	16,468,800.0	16,977,700.0	17,905,900.0

Note: GDP 2016-2022 are real numbers while GDP 2023 is from budget framework

2 FY2023 Budget Structure, Directions and Management

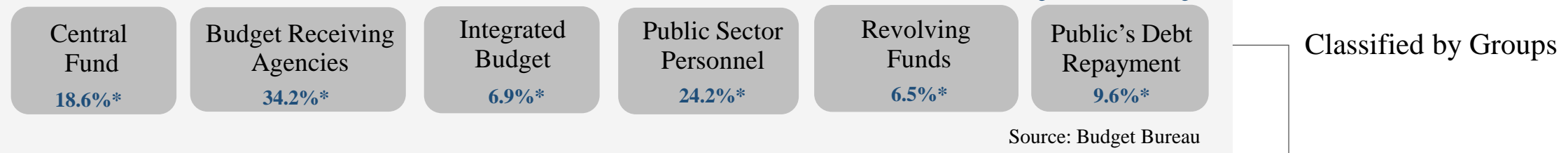
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1. FY2023 Budget Structure, Directions and Management

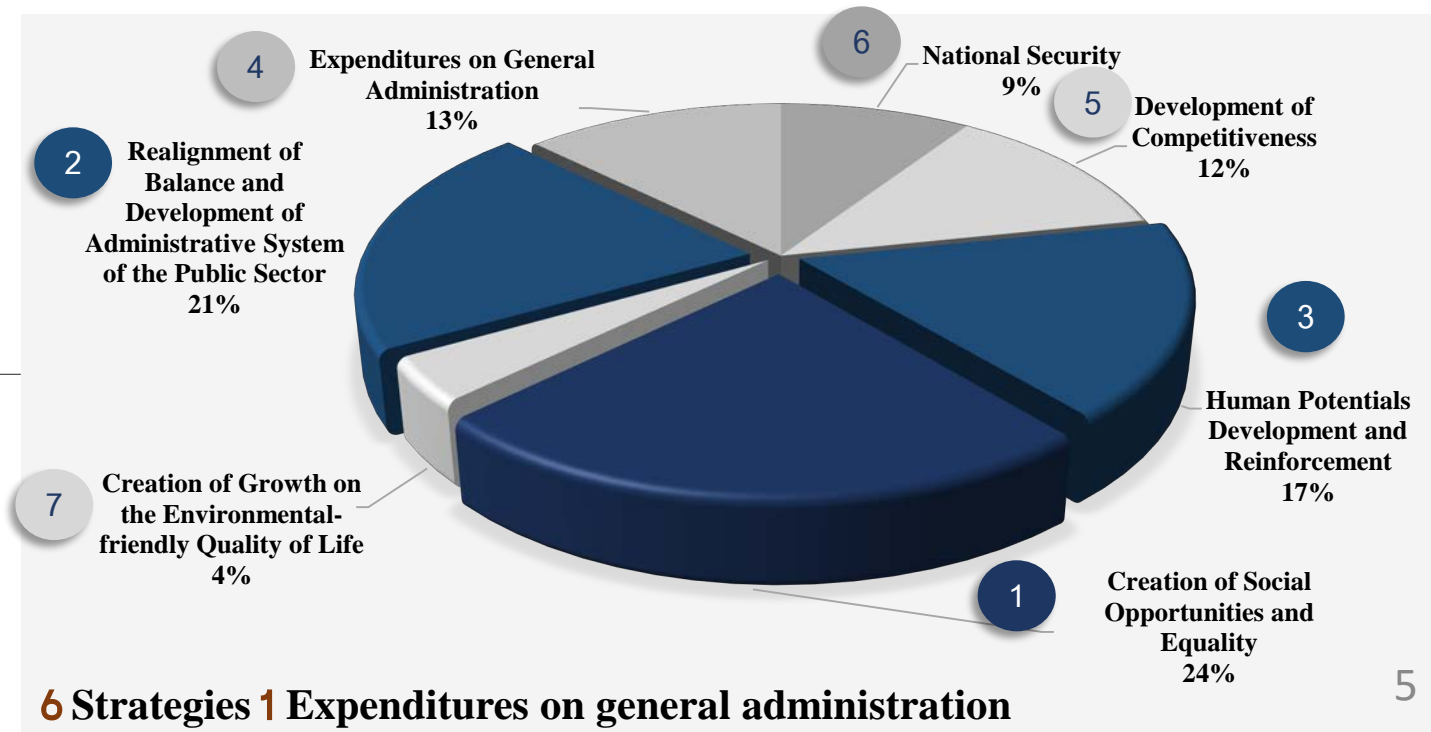
Classifications and Directions

6 Groups of Expenditures



Annual Budget (FY2023): 3,185,000 Million Bath (17.79% of GDP)

Classified by Strategies



Government Disbursement Objectives (FY2023)

Percentage of Total Budget

FY2023	Total	Q1	Q2	Q3	Q4
Total Expenditure	93%	32%	20%	23%	18%
Current Expenditure	98%	35%	20%	25%	18%
Capital Expenditure	75%	19%	20%	18%	18%

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Fiscal Measures in COVID-19 Era

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1. Fiscal Measures in COVID-19 Era

Source of Fund during COVID-19 Era

**FY2020
FY2021**

ON-BUDGET

Budget Expenditures for
FY2021
(Central Funds)

99,000 MB +
40,000 MB

OFF-BUDGET

The Emergencies
Decrees
B.E. 2563

1,000,000 MB

The Emergency Decree on
the Provision of Financial
Assistance for
Entrepreneurs Affected by
the COVID-19 Pandemic
B.E. 2563

500,000 MB

The Emergency Decree on
the Maintenance of Stability
of the Financial System and
Economic Security of the
Country, B.E. 2563

400,000 MB

Quasi-Fiscal Policy

Specialized Financial
Institutions : SFIs



**FY2021
FY2022**

ON-BUDGET

Budget Expenditures for
FY2022
(Central Funds)

89,000 MB +
16,362 MB

OFF-BUDGET

The Emergencies
Decrees
B.E. 2564

500,000 MB

The Emergency Decree on
the Provision of Assistance
and Rehabilitation of
Business Operators Impacted
by the Spread Of The Covid-
19 pandemic, B.E. 2564

350,000 MB

Quasi-Fiscal Policy

Specialized Financial
Institutions : SFIs



2. Fiscal Measures in COVID-19 Era

Source of Fund during COVID-19 Era

(ON-BUDGET)

Central Fund (Under On-Budget)

FY2021

FY2022

FY2023

614,616.25 Million Baht
(18.7% of FY2022 total Budget)

587,409.34 Million Baht
(18.9% of FY2022 total Budget)

590,470.0 Million Baht
(18.5% of FY2022 total Budget)



Emergencies or
Immediate needs

99,000 Million Baht
(3% of FY2022 total Budget)

89,000 Million Baht
(3% of FY2022 total Budget)

92,400 Million Baht
(2.9% of FY2023 total Budget)



Contingency Fund to
Reduce the Impact
of those who affected
by COVID-19

40,325.63 Million Baht
(1.23% of FY2022 total Budget)

16,362 Million Baht
(0.5% of FY2022 total Budget)

3,000 Million Baht
(0.09% of FY2022 total Budget)

Source: Budget Bureau

4 Fiscal Rules (under the Fiscal Responsibility Act B.E. 2561)

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1. Fiscal Rules (under the Fiscal Responsibility Act B.E. 2561)

Fiscal Responsibility Act B.E. 2561 (2018) (FRA)

became effective on 20 **April 2018**

Rationales

- 1 Constitution of the Kingdom of Thailand B.E. 2560**
 Section 62. The State shall strictly maintain its financial and fiscal discipline in order to ensure that the financial and fiscal status of the State is stable and secure in accordance with the Fiscal Responsibility Law.

- 2 No overarching law on fiscal discipline**
 (Budget Procedures/Treasury Reserve/Public Debt Management/Working Capital Management Act)

- 3 Fiscal transparency and inclusion**
 (Conduct of quasi-fiscal activities via SFIs and SOEs. Extrabudgetary spending. Establishment of extrabudgetary funds.)

- 4 Lack of nationwide fiscal overview**
 (Public agencies, SOEs, parliamentary agencies, constitutional court, court of justice, administrative court, constitutional agencies, public organisations, revolving funds with juristic person status, and Local Administration Organisations)

2. Fiscal Rules (under the Fiscal Responsibility Act B.E. 2561)

Fiscal Responsibility Act B.E. 2561 (2018) (FRA)

Salient Features

Fiscal Policy Committee

- **Prime Minister (Chair)**
- **Finance Minister (Deputy Chair)**
 - Permanent secretary for Finance
 - Secretary-General of NESDB
 - Director-General of Bureau of the Budget
 - Governor of the BOT
- **Director-General of the FPO (Secretariat)**



Fiscal Discipline

- Stipulate fiscal discipline regulations, especially numerical limits
- Formulate and revise Medium-Term Fiscal Framework
- Formulate risk management policy and supervise risk management

Monitoring and Supervising

- Prepare Whole-of-government Account and Fiscal Risk Statement
- Punishment for violation of the Law in Accordance with Organic Law on Auditing

3. Fiscal Rules (under the Fiscal Responsibility Act B.E. 2561)

Fiscal Responsibility Act B.E. 2561 (2018) (FRA)

Expected Benefits

- ✓ Public agencies are able to maintain fiscal disciplines with clear guidelines
- ✓ Regulations cover innovative fiscal practices
- ✓ Comprehensive public agencies' data enables thorough fiscal analysis

4. Fiscal Rules (under the Fiscal Responsibility Act B.E. 2561)

The Fiscal Ceilings

The Fiscal Ceilings according to the Fiscal Policy Rules	Fiscal Ceilings	Fiscal Year					
		2018	2019	2020	2021	2022	2023
1. Fiscal Policy Rules Pertaining to Section 11 (4)							
1.1 Budget for contingency fund for emergencies or immediate needs (Central Fund) to annual budget	2.0 – 3.5	3.15	3.30	5.76	3.01	2.87	2.90
1.2 Budget for principal payments to annual budget	2.5 – 4	3.00	2.61	1.68	3.01	3.23	3.14
2. Fiscal Policy Rules Pertaining to Section 50²							
2.1 Public debt to GDP (Maximum)	70	41.70	41.24	49.34	58.15	60.54 ³	61.30 ⁴
2.2 Government debt to projected annual government revenue (Maximum)	35	19.17	27.24	25.38	32.27	29.27	30.91 ⁴
2.3 External public debt to total public debt (Maximum)	10	3.86	3.15	1.78	1.80	1.71	1.63 ⁴
2.4 External public debt to revenue from exports and services (Maximum)	5	0.22	0.15	0.01	0.06	0.06	0.05 ⁴
3. Fiscal Policy Rules Pertaining to Section 20 (1):							
Capital Expenditures to annual budget	20	23.33	21.64	20.14	19.76	19.74	21.82 ⁴

Source: Fiscal Policy Office as of 30th September 2021

Note: 1. as of October 12th 2021
 2. as of September 30th each year
 3. as of September 30th 2022
 4. as of March 31st 2023

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Medium-term Fiscal Framework (FY2024 -FY2027)

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**The Fiscal Responsibility Act
B.E. 2561 (2018)
(FRA)**



Medium-term fiscal framework (MTFF)

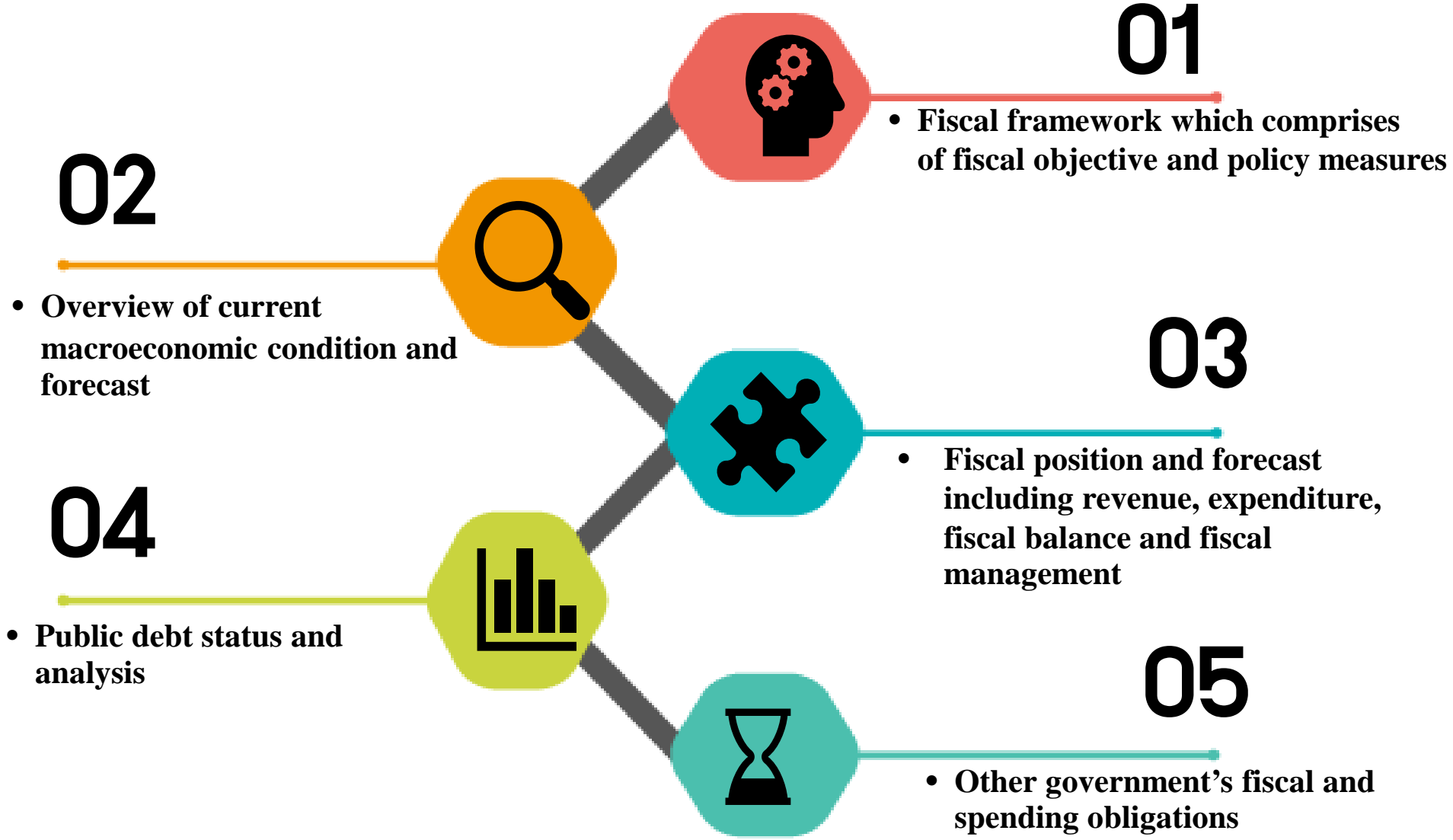
is **compulsory** under this law.
MTFF will serve as a master plan for

- ✓ Fiscal and budget planning
- ✓ Annual budget formulation
- ✓ Public debt management

MUST

- ✓ Must be formulated within **3 months after the end of each fiscal year**
- ✓ Must covers the timeframe **no less than 3 years**

The main features of MTFF must cover



3. Medium-term Fiscal Framework (FY2024 -FY2027)

Assumptions

Calendar Year

**MTFF
(2023 – 2026)**

GDP Assumption (Calendar year)	2022	2023	2024	2025	2026	2027
GDP (CVM: thousand million THB)	17,026.8	17,861.1	18,682.8	19,542.2	20,441.1	21,381.4
GDP Growth (Current market price, %)	5.1	4.9	4.6	4.6	4.6	4.6
GDP Growth (CVM, %)	4.0	3.7	3.4	3.3	3.3	3.3
Growth rate of Import value of goods (%)	5.7	5.8	5.3	4.3	4.3	4.3
Inflation (%)						
GDP Deflator	1.1	1.2	1.2	1.3	1.3	1.3
Exchange Rate (THB/US\$)	32.5	32.3	32.3	32.2	32.1	32.1
Dubai Crude Oil Price (US\$/Barrel)	72.0	70.0	67.0	64.5	63.0	61.5

**MTFF
(2024 – 2027)**

GDP Assumption (Calendar year)	2022	2023	2024	2025	2026	2027	2028
GDP (CVM: thousand million THB)	17,634.8	18,781.1	19,776.5	20,785.1	21,865.9	23,002.9	24,199.1
GDP Growth (Current market price, %)	9.0	6.5	5.3	5.1	5.2	5.2	5.2
GDP Growth (CVM, %)	3.2	3.5	3.8	3.4	3.4	3.3	3.3
Growth rate of Import value of goods (%)	17.8	1.6	5.0	4.7	4.3	4.3	4.3
Inflation (%)							
GDP Deflator	5.8	3.0	1.5	1.7	1.8	1.9	1.9
Exchange Rate (THB/US\$)	35.2	36.0	35.0	34.5	34.5	34.0	34.0
Dubai Crude Oil Price (US\$/Barrel)	98.5	90.0	83.0	78.0	75.0	72.0	70.0

Comparison GDP (Current market price: thousand THB)	608.0	920.0	1,092.7	1,242.9	1,424.8	1,621.5
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4. Medium-term Fiscal Framework (FY2024 -FY2027)

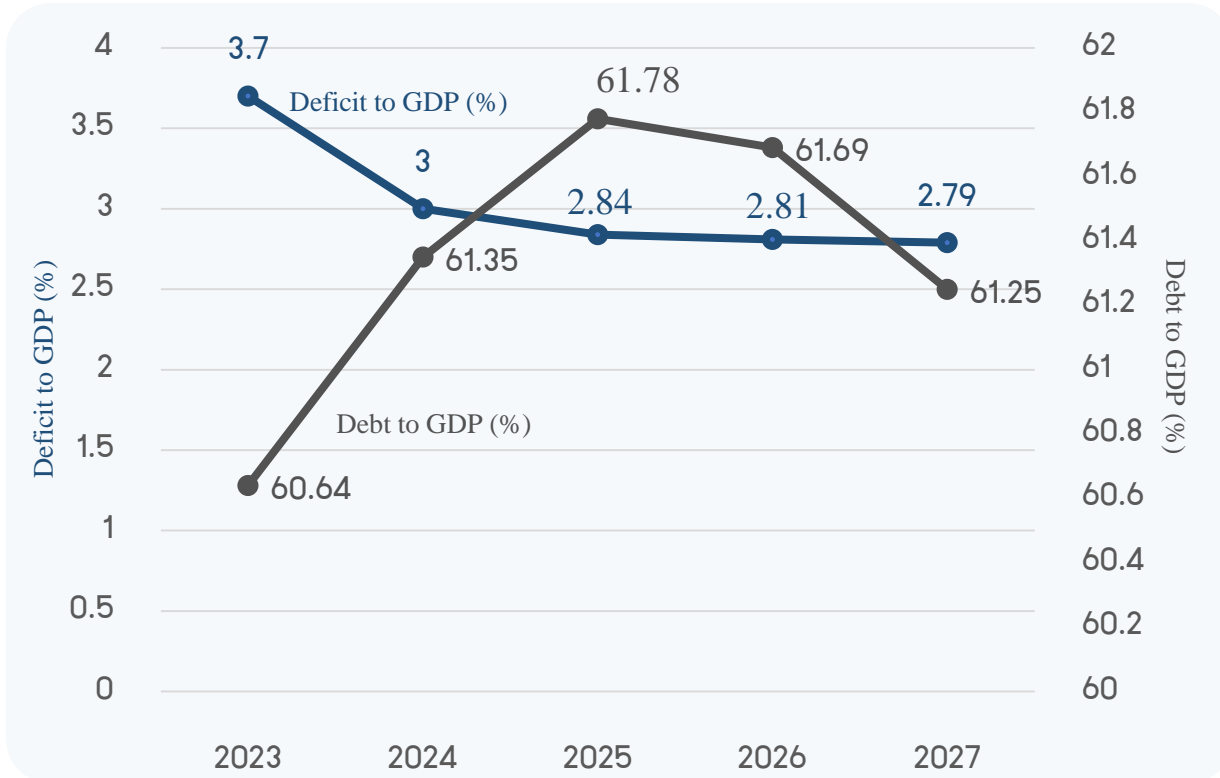
Objectives

Sound Strong Sustained

Counter-cyclical Fiscal policy
Targeted Fiscal Policy

Strengthening Aggregate
Fiscal Discipline

Medium-term
Fiscal Sustainability



In the Medium-term

Reduce Budget Balance to **3% of GDP** by FY2024 and **Achieve Fiscal Consolidation** by continuing to reduce Budgetary Balance and Debt to GDP in the Medium-term

In the Long-term

Fiscal Sustainability and
Budgetary Balance

6. Medium-term Fiscal Framework (FY2024 -FY2027)

2023 2024 2025 2026 2027
MTFF FY2024 – FY2027

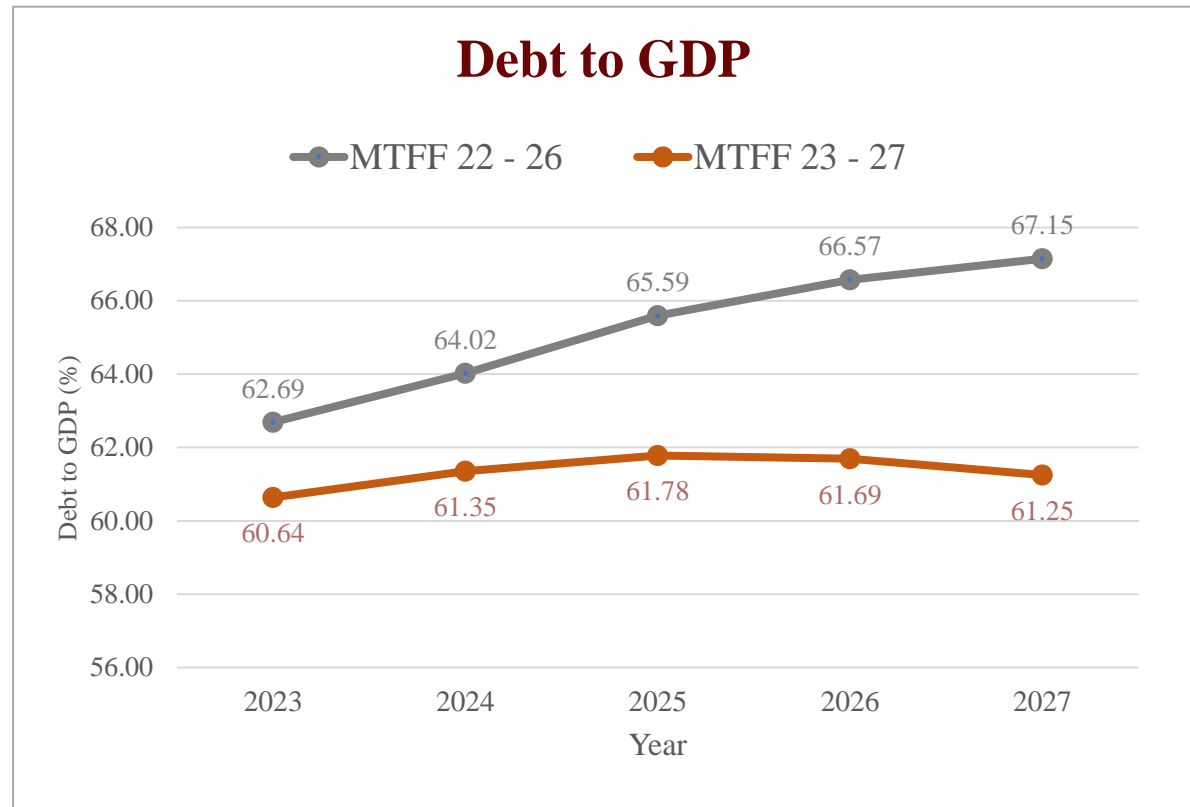
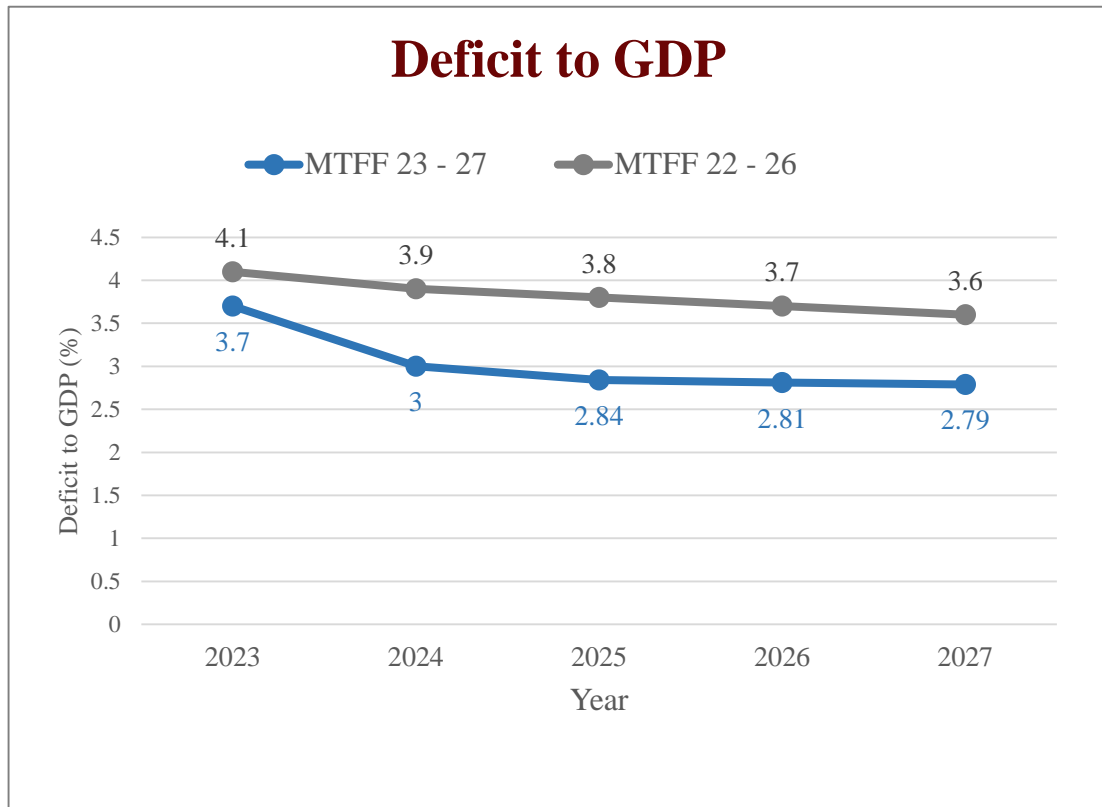
Fiscal Year	2023	2024	2025	2026	2027
Revenue	2,490,000	2,757,000	2,867,000	2,953,000	3,041,000
% Change	3.8	10.7	4.0	3.0	3.0
Expenditure	3,185,000	3,350,000	3,457,000	3,568,000	3,682,000
% Change	2.7	5.2	3.2	3.2	3.2
Budgetary Balance	(695,000)	(593,000)	(590,000)	(615,000)	(641,000)
% of GDP	(3.70)	(3.00)	(2.84)	(2.81)	(2.79)
Public Debt Outstanding	11,161,778	11,879,863	12,573,606	13,209,264	13,796,678
Debt to GDP (%)	60.64	61.35	61.78	61.69	61.25
GDP	18,781,100	19,776,500	20,785,100	21,865,900	23,002,900
% yoy	6.5	5.3	5.1	5.2	5.2

Fiscal Consolidation

7. Medium-term Fiscal Framework (FY2024 -FY2027)

Fiscal Consolidation Objectives

Previous MTFF (FY2022 – FY2026) *VS* Current MTFF (FY2023 – FY2027)



6 Recent Stimulus Measures in 2023

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Recent Stimulus Measures in 2023

Estimated Total Revenue Loss \approx 18,691 Million THB
GDP Contribution \approx 0.76%



Other Measures from SFIs (Specialized Financial Institutions), SEC (Securities and Exchange Commission), Student Loan Fund



“Shop Dee Mee Khun” : Claim up to 40,000 THB in taxes for goods and services purchased from 1st Jan – 15th Feb 2023

Revenue loss \approx 8,232 Million THB



15% land and building tax reduction for 2023

Revenue loss \approx 6,288 Million THB



Extension of reduction in excise tax on jet fuel for domestic flights from 4.726 baht to 0.20 baht per litre for 6 months (Jan 1 to June 30, 2023) to promote tourism

Revenue loss \approx 1,800 Million THB



Reduction in property transfer and property pledge registration fees

Revenue loss \approx 1,989 Million THB



Waived licence fees for vendors of liquor, tobacco and playing cards or existing sellers,

Revenue loss \approx 382 Million THB

Drive domestic
Consumption +
Investment
and Boost
economic
growth



New Year's Gift in 2023

