

Opening Speech and Keynote Address
H.E. Mr. Arkhom Termpittayapaisith,
the Minister of Finance
Inter-governmental meeting:
“The Third Session of the Committee on Macroeconomic Policy, Poverty Reduction and
Financing for Development”
of the Economic and Social Commission for Asia and
the Pacific (ESCAP)
20 October 2021, 10.00 a.m. (7-10 minutes)

Excellency, Ms. Armida Salsiah Alisjahbana (นางอาร์มิดา ซัลเซียะฮ์ อาลีสะจะฮ์บานา), Under-Secretary General of the United Nations, and Executive Secretary of the Economic and Social Commission for Asia and Pacific (UNESCAP),

Excellencies,

Distinguished Guests,

Ladies and Gentlemen,

It is my great pleasure to deliver this keynote address to the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development organized by the Economic and Social Commission for Asia and the Pacific (ESCAP) today. I would like to take this opportunity to share my perspective on the role of the Ministry of Finance during COVID-19 crisis and five key approaches to support and revitalize the Thai economy after the pandemic, in order to achieve a sustainable growth.

The Ministry of Finance has been working to develop a sustainable and resilient economy through a variety of short and long-term fiscal policies, particularly during the time of economic crisis caused by the pandemic. As you are aware, the Thai economy has been severely impacted by series of Covid-19 outbreaks since last year. The Government has acted promptly to contain the spread of virus and to allocate all necessary fiscal and financial resources to assist healthcare system and to provide relief to affected people, workers and businesses.

Many government support programs have been implemented to help relief impact to the people, who suddenly were unemployed or reduced wage payment during the lockdown period, to be able to live by government cash transfer. At the same time, other programs including the copayment and tax deductible expenses have also been implemented to maintain the level of domestic consumption. Job retention program has also been implemented through cash directly transferred to SMEs. These supports will continue to the future growth prospects of Thai economy.

Distinguished Guests,

As the government continues to handle the Covid-19 situation, the government is also laying foundation for Thailand’s sustainable growth.

Going forward, Covid19 will become endemic, and the people will have to learn to live with this new normal. The virus may not be eliminated but it will eventually be contained. Taking this into account, the government will focus on 5 key approaches to support the Thai economic recovery as follows:

First, financial, and monetary measures to remedy and support Covid-19 affected entrepreneurs to recover firmly such as the debt restructuring program and soft loan schemes.

Second, macroeconomic management by maintaining economic and fiscal stability, public debt management, as well as improving the tax collection system and maintaining an appropriate level of inflation.

Third, reducing poverty and inequality, by implementing an economic policy that improve the welfare system, quality of life of the people and distribute the prosperity to the regional area of Thailand.

Fourth, creating a well-established social safety net: all citizens will be able to receive proper social protections from the government through voluntary and participatory channels such as social security fund, provident funds, government pension fund, and national savings fund.

Fifth, the government is planning to reopen our country to international travelers. The Prime Minister's statement is clear that from the 1st November, Thailand will allow foreign visitors to enter Thailand without any requirement for quarantine if they are fully vaccinated and arrive by air from low-risk countries. Tourists are required to present a negative Covid test and being tested once again upon arrival.

Given the current trend, we expect that by the end of this year, we would be able to witness the positive growth of the Thai economy. Strong Thai merchandise exports will be the key driver of the economy. For 2022, Thai economy is projected to recover with stronger momentum in the range of 4-5 percent with tourism rebound and improving Covid-19 situation.

For post-Covid19 policies, the Thai government will focus on the following 4 strategies.

The first is the promotion of Bio-Circular-Green Economy model or BCG model. This economic model will emphasize the creation of high value products from biological resources, considering reusing various of materials as much as possible and environmentally friendly economic development. The government has taken some measures to promote BCG economy model such as the issuance of green, social and sustainability bond and the promotion of investment in electric vehicles within 2030. Early this year, we were successfully able to issue the first batch of sustainability bond and were invited to list in the Luxemburg Stock Exchange.

Second, economic restructuring towards new industries by accelerating investment in large-scale infrastructure projects as well as focusing on the investment in 12 targeted industries (S-curve), to name a few, the next-generation automotive, intelligence electronics and high-value and medical tourism as well as medical treatment and wellness. The investment in the Eastern Economic Corridor (EEC), which will be our new growth engine, will enhance Thailand's competitiveness and improve the productivity of the economy.

Third, digitalization is another key area to increase Thailand's competitiveness. Digital transformation must be prioritized by both the private and public sectors. The government is facilitating the public by introducing e-tax filing, state-owned enterprises (SOEs) transactions in order to reduce cost associated with cash transaction.

Fourth, the government continues to invest in a more advanced infrastructure so as to help improve our competitiveness. The investment will focus on greener infrastructure especially on the mass transit system, cleaner energy in the area of renewable energy. More solar energy and small power producers are the target. On top of these four strategies, the innovative financing is essential, perhaps green financing could be a starting point. A consultative group in financing could also be an effective mechanism.

Distinguished Guests,

I hope that the third session of the committee on Macroeconomic Policy, Poverty Reduction and Financing for Development will be a place where everyone can exchange our experience, constructive view and guidance on how we can move toward the SDGs to transform our world.

Lastly, UNESCAP can contribute to sustainable development of Asia Pacific region with its valuable partnership with member countries in providing results-oriented projects, technical assistance, and capacity building.

I hope to continue our close policy cooperation between the Ministry of Finance and UNESCAP and hope a successful meeting today.

Thank you very much for your attention.