

High value strategic direction

By **H.E. APISAK TANTIVORAWONG**

MINISTER OF FINANCE, THE KINGDOM OF THAILAND



APISAK TANTIVORAWONG has served as the Minister of Finance for the Kingdom of Thailand since August 2016. From 2004-2016 he served as President of both Krung Thai Bank and President of Siam City Bank. He was received his BA in Chemical Engineering from Chulalongkorn University and holds an MBA Industrial Management from the University of Tennessee. He has previously been Chairman of the ASEAN Banking Association and Chairman of the Thai Bankers' Association.

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May 2018 marked four years of the current government, under which we have seen extraordinary progress in terms of economic development. Previously, Thailand was embattled by political turmoil and economic lethargy. Our GDP growth had almost stalled, with merely 0.2 per cent growth during the first half of 2014. Businesses were also in despair as reflected by the contraction in private investment.

Today, I am delighted to say that in a brief period of time, we have managed to make a turnaround from subdued growth. In 2018, the economy has expanded by 4.8 per cent during the first quarter, the fastest expansion in twenty consecutive quarters.

Export and tourism were the main engines of growth while both public consumption and investment maintained their supportive role.

Looking forward, the Ministry of Finance is utilising Thailand's ample fiscal space to improve both physical and soft infrastructure. Our strategic future direction is steering Thailand towards a high value economy, or "Thailand 4.0." In order to strengthen our competitiveness while keeping up with the age of technological disruption, the government has identified ten key industrial sectors that will serve as future sources of growth for Thailand. To host these industries, the government has introduced the Eastern

Economic Corridor, an upgraded version of the Eastern Seaboard, with state-of-the-art facilities and research institutions. The Ministry is responsible for financing infrastructure investment projects worth 3.3 trillion baht, equivalent to £77 billion. We are making a nation-wide overhaul of infrastructure that will improve our competitiveness, reduce transport costs, and deepen connectivity with neighbouring countries.

On the other hand, with respect to soft infrastructure the Ministry of Finance has introduced a National e-Payment programme to reduce business transaction costs, with secured payment for both payers and recipients. For Thailand to move towards a cashless society, advanced financial infrastructure is necessary. The benefits of this has extended beyond the private sector. E-payment has been used to streamline social welfare programmes and for tax filing and refunds, making the delivery of government services more efficient.

Despite many ongoing projects, we have succeeded in maintaining a strong fiscal condition. Public Debt to GDP is approximately 41 per cent, well below our 60 per cent threshold as stated in *Fiscal Responsibility Law B.E. 2561 (2018)*, which was enacted earlier this year. This will ensure that our fiscal discipline will remain intact.

Gearing up towards *Thailand 4.0* has been a big challenge for the government, yet we have proven that it is feasible and implementable. **F**

