

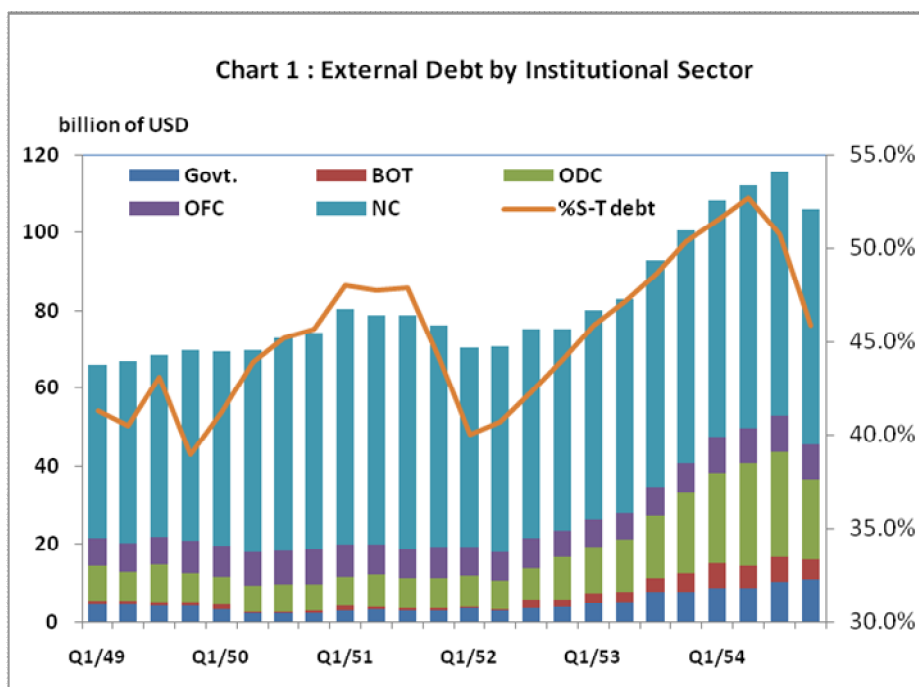
Thailand's External Debt¹ as at end-December 2011

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1. Thailand's Overall External Debt

At the end of the fourth quarter of 2011, Thailand's external debt outstanding amounted to US\$105.9 billion, a decrease of US\$9.7 billion or 8.4% from the previous quarter. This was mainly due to a decline of short term-debt (original maturity), while long-term debt remains unchanged. This decline was observed in almost every sector, particularly in other depository corporations (ODC) where major sum of short term debt were paid off. The BOT's short-term debt also declined as a result of a reduction in foreign holdings of short-term debt securities.

As short-term debt outstanding decreased, the proportion of short-term debt to the total also declined to 45.9% when compared to 50.8% in the previous quarter. In terms of remaining maturity, short-term debt accounted for 56.8% of the total, mostly in the form of loans and trade credits.



Note : NC : Nonfinancial corporations, households, and NPISHs

OFC : Other financial corporations

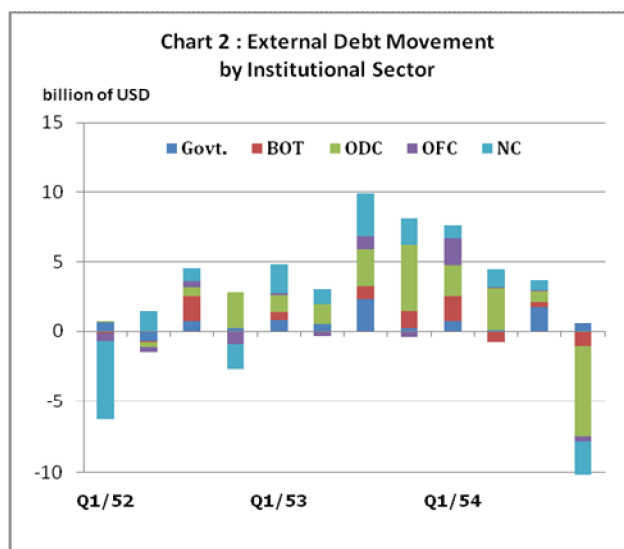
ODC : Other depository corporations

¹ Part of the external debt data was compiled from the external survey on private non-bank sector (details of the survey can be found in Appendix)

2. Thailand's External Debt Structure

2.1 External Debt Classified by Institutional Sector

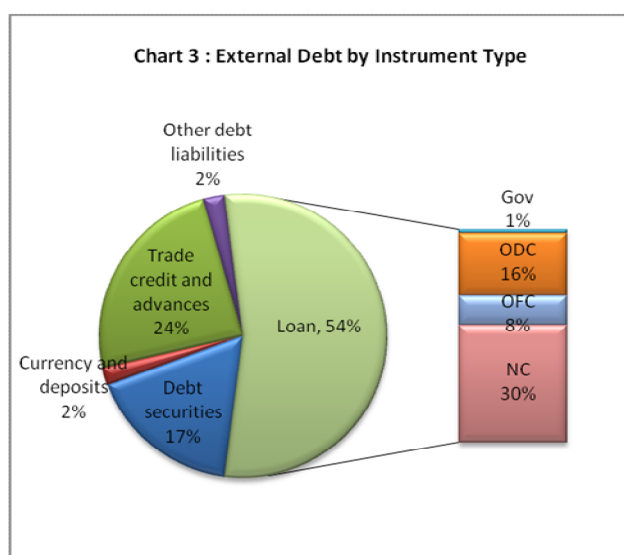
The decrease of external debt outstanding was observed in almost every sector, mostly in ODC. General government was the only sector with a slight increase, mainly due to



an increase of non-residents' holding of government bond. External debt of ODC declined the most, mostly from commercial banks' repayment of short-term debt. Nonfinancial corporations, households, and NPISHs' (NC) external debt decreased in line with the reduction of trade credits (as producers who were affected by the flood crisis put off their imports), coupled with the repayment of long-term debt, and early redemption of long-term debt securities.

2.2 Instrument Type

Although, foreign loans and trade credits have declined significantly in this quarter, the country's external debt still attributed mostly to loans, with an amount of US\$57.3 billion or 54.1% of the total outstanding. Half of which were external loans in nonfinancial corporations, followed by loans of ODC and other financial corporations, respectively. The



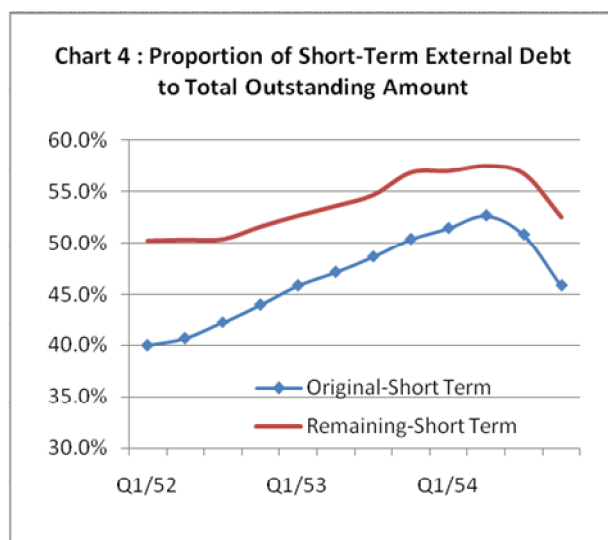
second largest portion were trade credits and advances, accounted for 24.1% of total outstanding amount, mostly were nonfinancial corporations' short-term trade credits.

External debt in the form of debt securities registered a position of US\$18.4 billion or 17.4% of total external debt. This was mostly long-term debt securities of general government and non financial

corporations. Short-term debt securities were mostly attributed to the BOT, though with a declining trend. As a consequence of the flood, there was speculation over interest rate cut so foreign investment shifted to long-term debt securities instead.

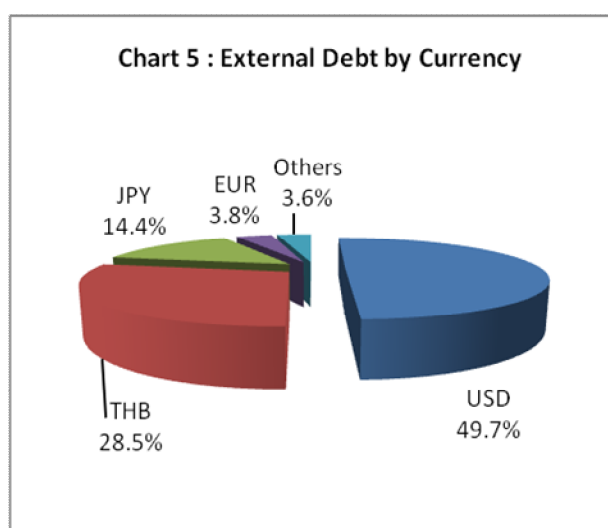
2.3 Maturity

When classified by original maturity, short-term debt registered an outstanding of US\$48.6 billion or 45.9% of the total, a decline from a share of 50.8% in the previous quarter. This was mostly due to the decrease of ODC's loans, a reduction of foreign holdings of the BOT's bond and nonfinancial corporations' trade credits. Long-term debt registered a share of



54.1%. The majority was in the form of loans with an outstanding of US\$39.1 billion, which were mostly loans of nonfinancial corporations, ODC, and other financial corporations. Second in line were debt securities of US\$16.5 billion, most of which were that of general government. Maturity-wise, short-term debt (based on remaining maturity) stood at US\$55.7 billion or 52.6% of total external debt, a decline from the previous quarter (56.8%).

2.4 Currency Composition

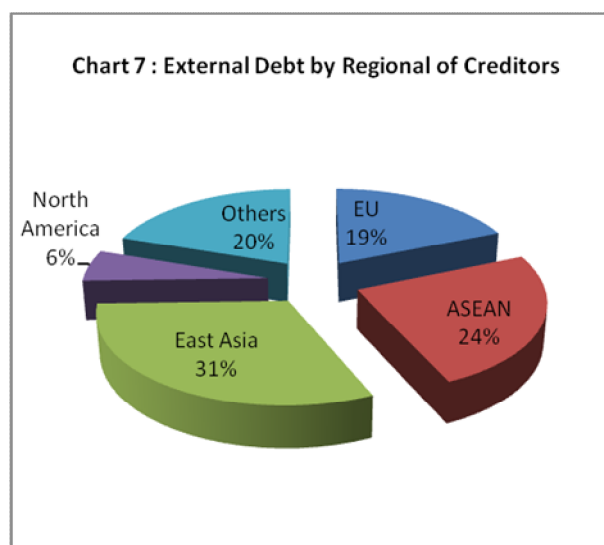
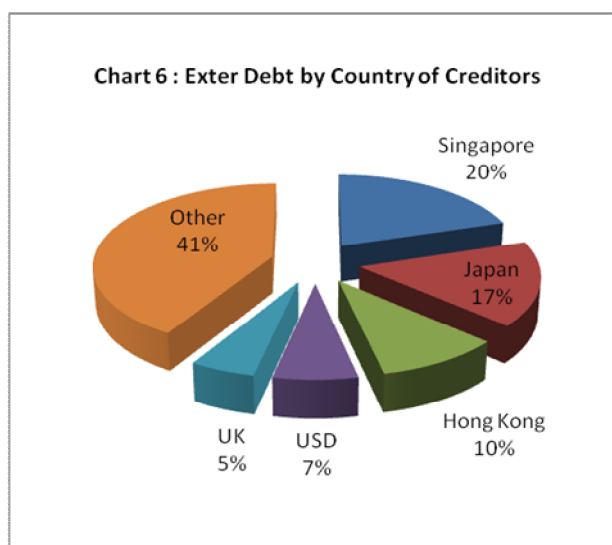


The currency composition of external debt in Thailand remained relatively unchanged with 4 dominating currencies accounting for 96.4% of total external debt. The majority were in US dollar (52.7 billion or 49.7%), followed by Thai baht, Japanese yen, and Euro, representing 28.5, 14.4, and 3.8 of the total amount, respectively. Thai baht and Euro have depreciated against the US dollar, hence resulting in a decrease in the US dollar equivalent.

2.5 Country (Location) of Creditor

The largest creditor country was Singapore, with an outstanding of US\$21.3 billion (20.1%), followed by Japan, Hong Kong, United Kingdom, and United States with corresponding shares of 16.4%, 10.1%, 6.8%, and 5.2%, respectively.

Geographically, East Asian countries² were major creditors, accounting for 31.2% of total external debt, followed by ASEAN and European countries, respectively.



3. Thailand's External Debt Indicators

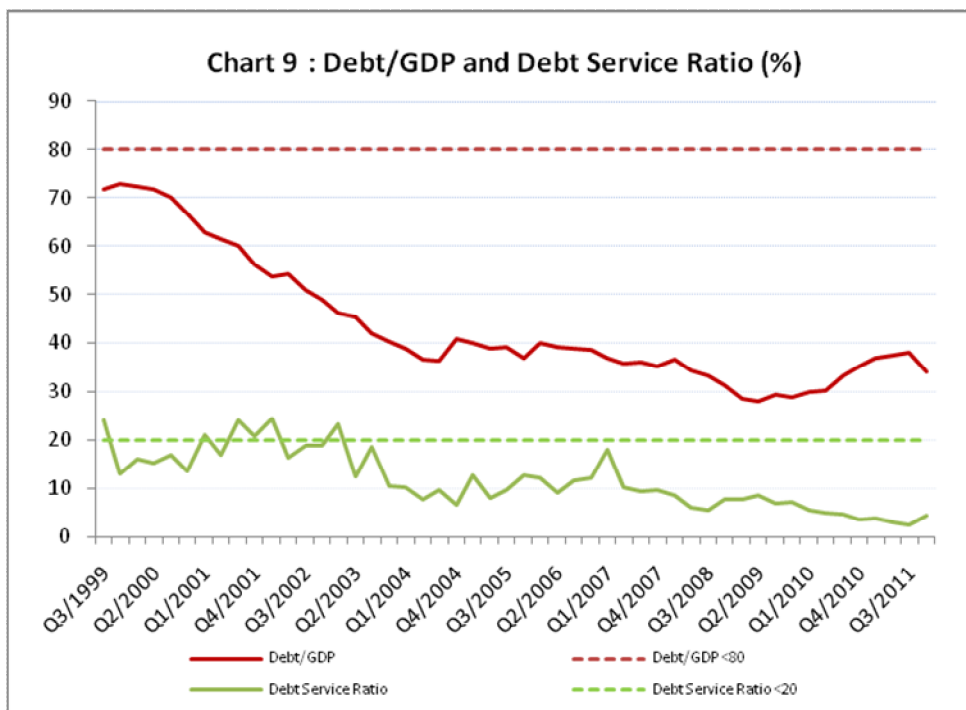
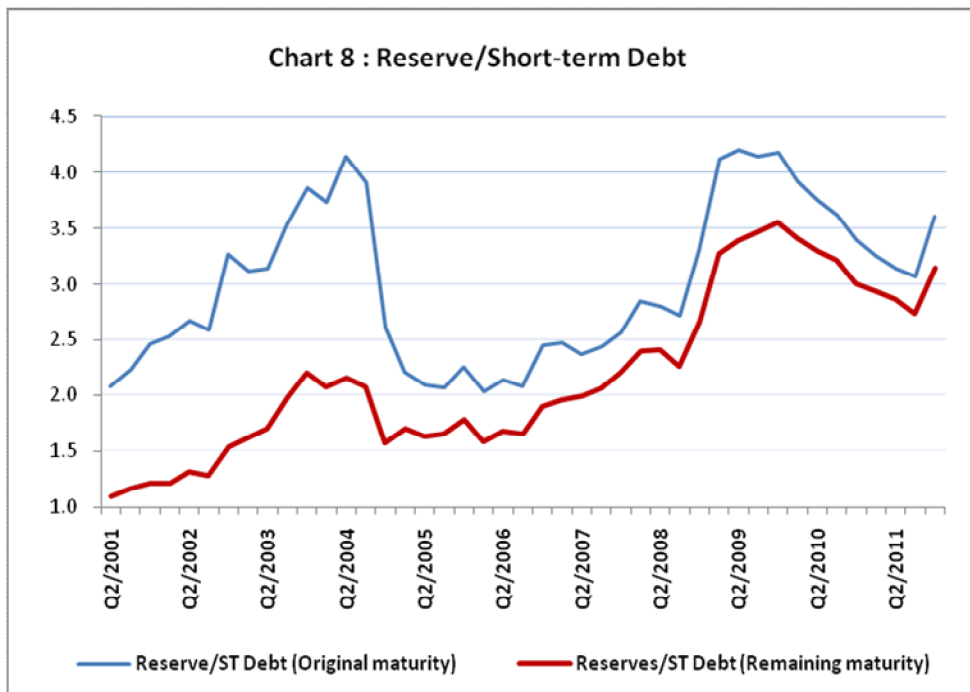
3.1 Ratio of Reserves to Short-term Debt (Remaining Maturity) measures a country's foreign exchange liquidity adequacy in the short run (i.e., whether a country has enough reserves to cover repayments due within a year). For Thailand, this ratio for 2011Q4 was still very high at 314% or 3.14 times, compared to 274% or 2.74 times in the last quarter. This was the first increase after it has constantly declined since 2010Q1. The rise was due mainly to the decline of short-term debt. This ratio stood well above the World Bank's recommended threshold of 150% or 1.5 times. Therefore, Thailand's liquidity adequacy in the short run and external stability were still in good shape and well above the international standard.

3.2 External Debt/GDP Ratio In this quarter, the ratio of Thailand's external debt to gross domestic products stood at 34.2%, a decrease compared to 38.0% for the last quarter. The above ratio still met the World Bank's criteria which states that this ratio should not exceed 80%, indicating that Thailand's external debt stability was relatively low, given the current level of the country's economic growth.

3.3 Debt Service Ratio is a measurement of a country's ability to repay its external debt due for payment, measured relative to the size of its foreign currency earnings. During

² Comprises; China, Hong Kong, South Korea, and Taiwan.

this quarter, the ratio stood at 3.74%. This was an increase from that of the previous quarter as external debt burden increased, while revenue on export of goods and services decreased. Still, the ratio was well below the World Bank's suggested cap of 20%, indicating the country's capability of financing its debt service payments.



Thailand's External Debt Outstanding

(in millions of USD)

	Q4/2552	Q1/2553	Q2/2553	Q3/2553	Q4/2553	Q1/2554	Q2/2554	Q3/2554	Q4/2554
General government	3,883	4,743	5,277	7,596	7,783	8,626	8,703	10,446	11,008
Short-term	364	234	99	352	195	51	0	0	0
Long-term	3,519	4,509	5,177	7,245	7,588	8,575	8,703	10,446	11,008
Central bank (BOT)	2,048	2,611	2,607	3,562	4,880	6,626	5,888	6,221	5,178
Short-term	419	835	1,017	1,692	2,574	4,217	3,557	3,165	1,447
Long-term	1,629	1,776	1,590	1,870	2,305	2,410	2,331	3,055	3,732
Other depository corporations	10,755	11,986	13,439	16,080	20,803	23,010	26,080	26,980	20,536
Short-term	8,570	9,605	10,921	13,485	16,688	18,260	20,556	20,723	13,664
Long-term	2,185	2,381	2,518	2,594	4,116	4,750	5,524	6,256	6,872
Other sectors	58,620	60,812	61,575	65,595	67,095	70,010	71,309	71,968	69,221
Other financial corporations	6,740	6,859	6,543	7,499	7,090	9,120	9,130	9,102	8,763
Short-term	2,351	2,316	2,068	2,372	1,966	1,667	2,115	2,134	2,000
Long-term	4,389	4,544	4,475	5,127	5,124	7,453	7,015	6,967	6,763
Nonfinancial corporations, Households, NPISHs	51,881	53,953	55,032	58,096	60,005	60,890	62,178	62,867	60,458
Short-term	21,424	23,761	24,975	27,255	29,232	31,478	32,715	32,668	31,474
Long-term	30,457	30,192	30,057	30,841	30,773	29,412	29,463	30,198	28,984
Gross External Debt	75,306	80,152	82,898	92,833	100,561	108,272	111,979	115,614	105,944
Short-term	33,127	36,751	39,080	45,156	50,655	55,672	58,943	58,691	48,585
Long-term	42,179	43,401	43,818	47,677	49,906	52,600	53,036	56,923	57,359
Debt / GDP (%)	28.8	29.9	30.3	33.3	35.2	37.1	37.6	38.0	34.2
Reserves / Short-term debt (%)	355.9	341.1	330.1	321.5	300.9	294.3	287.2	274.4	314.5
Debt service ratio (%)	7.27	5.65	4.88	4.55	3.68	3.87	3.02	2.97	3.74
Public sector	0.06	0.05	0.11	0.11	0.20	0.11	0.15	0.13	0.22
Private sector	7.21	5.60	4.77	4.44	3.48	3.76	2.87	2.84	3.52

Appendix

Survey on Private Non-bank External Debt as at end-December 2011

Survey Population and Samples

The survey population encompassed all private enterprises or individuals with external debt outstanding (6,009 companies). Of this, 373 companies were sample units (representing approximately 76 percent of total external debt outstanding), with details as follows:

- o There were 229 borrowers or lenders with outstanding amount exceeding US\$20 million as at end-September 2011.

- o Fifty companies with end-September 2011 external debt outstanding between US\$3.5 – 19.9 million were sampled for the purpose of statistical quality control.

- o There were 51 companies with other types of external debt outstanding.

- o New entries incorporated into this survey consisted of 43 companies whose transactions on debt incurrence, principal repayment, or interest payment/receipt were reported through ITRS in the previous quarter, but have never been covered in any of the previous surveys.

The BOT sent out survey forms to 373 private companies, of which 93 companies received the form by mail while the remaining 280 received via e-mail. Responses from 352 companies were obtained, representing a 94.9 percent response rate.

Data Verification and Estimation

The end-September 2011 external debt outstanding data obtained from the survey was crosschecked with corresponding records from foreign exchange reports (ITRS-FX) and non-resident baht account transaction (ITRS-NRB) reported by commercial banks. The expected end-September 2011 outstanding data used as crosschecking benchmark can be estimated using the equation shown below. If any inconsistency occurred, respondents were requested to validate the data and corrections would be made, accordingly.

$$\text{End-Sep. 2011 outstanding} + \text{Inflow}_{2011\text{Q4}} - \text{Outflow}_{2011\text{Q3}} = \text{End-Dec. 2011}$$

For non-sampled units and non-responses, the estimated external debt outstanding data based on the above equation were used.