



ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Press Conference

Monetary Policy Committee's Decision

2/2021

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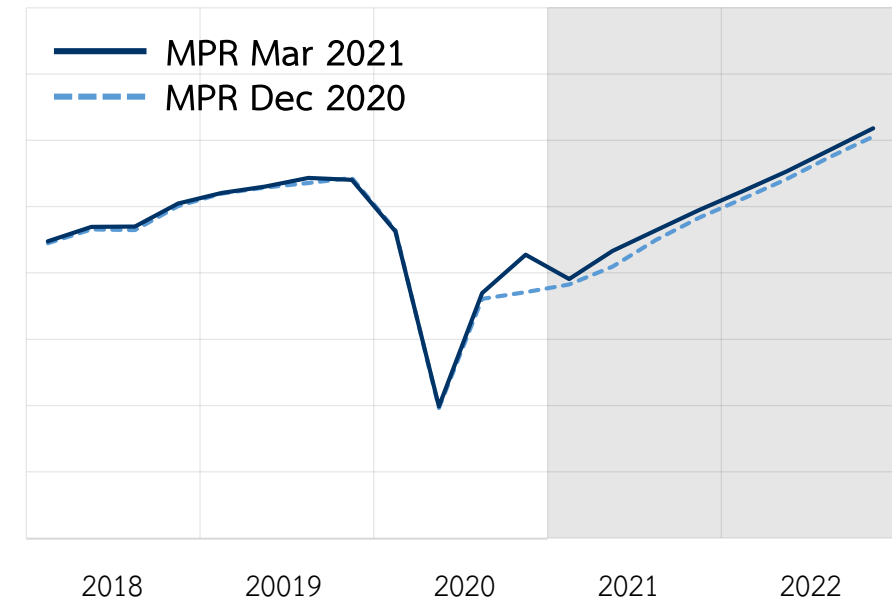
Outlook of the Thai Economy

The Thai economy would expand somewhat lower than the previous projection in line with lower tourist figures and the impacts of the new wave of the COVID-19 outbreak.

Moreover, recovery in the period ahead would remain uncertain, depending on (1) the recovery in tourist figures in line with COVID-19 vaccine efficacy and coverage and (2) continuity of fiscal support.

Percent	2020	2021 ^E	2022 ^E
GDP Growth	-6.1	3.0	4.7
		(3.2)	(4.8)
Headline Inflation	-0.8	1.2	1.0
		(1.0)	(1.0)
Core Inflation	0.3	0.3	0.4
		(0.3)	(0.4)

Real GDP



* Outturn, ^E Estimation

() Monetary Policy Report, December 2020

Source: Monetary Policy Report, March 2021



Details of the economic forecasts

	2020	2021 ^E		2022 ^E	
		Dec 20	Mar 21	Dec 20	Mar 21
GDP Growth (percent)	-6.1	3.2	3.0	4.8	4.7
- Private Consumption	-1.0	2.8	3.0	3.0	2.7
- Private Investment	-8.4	4.9	6.0	5.0	5.5
- Government Consumption	0.8	5.1	5.2	1.0	-3.1
- Public Investment	5.7	7.9	11.6	0.2	0.8
- Exports of Goods and Services	-19.4	3.6	5.2	12.3	13.9
- Imports of Goods and Services	-13.3	5.0	9.2	7.5	7.5
Current Account* (Billion USD)	16.5	11.6	1.2	29.1	25.0
- Value of Merchandise Exports	-6.6	5.7	10.0	5.0	6.3
- Value of Merchandise Imports	-13.5	7.7	15.2	6.7	6.8
Headline Inflation (percent)	-0.8	1.0	1.2	1.0	1.0
Core Inflation (percent)	0.3	0.3	0.3	0.4	0.4
Assumptions					
- Number of Tourists (Million)	6.7	5.5	3.0	23.0	21.5
- Dubai Oil Price (USD/Barrel)	42.1	47.3	60.0	51.5	62.5

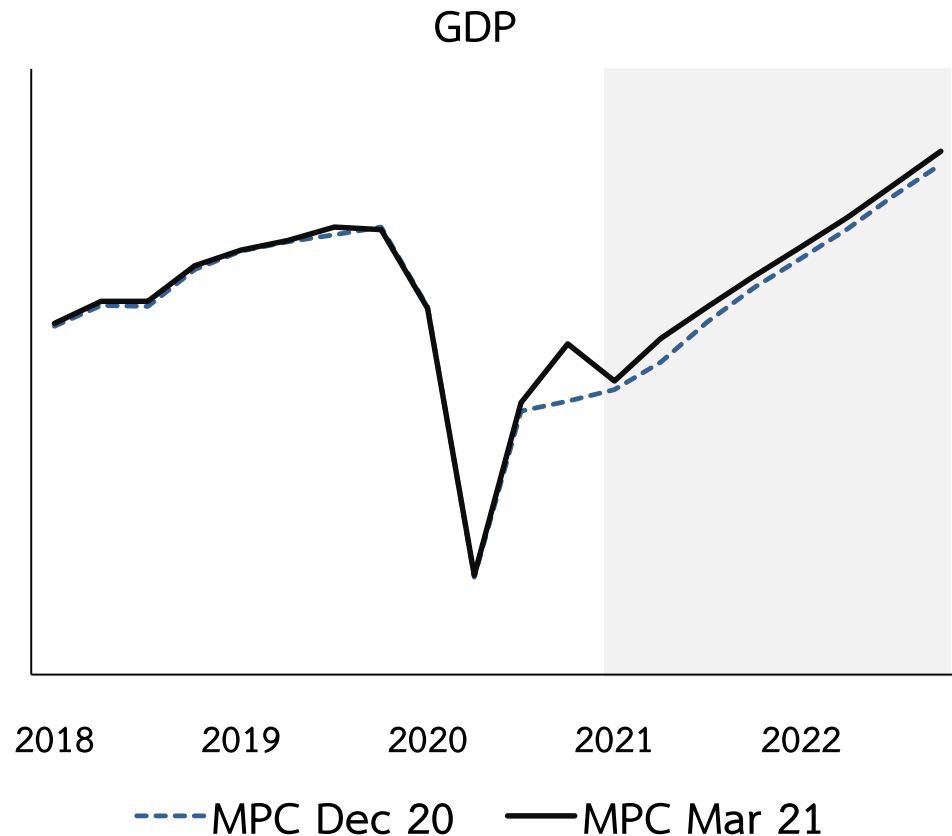
Note: ^E Estimation

Source: Monetary Policy Report, March 2021

- The Thai economy would expand somewhat lower than the previous projection in line with lower tourist figures and the impacts of the new wave of the COVID-19 outbreak in the beginning of 2021. However, the timely and targeted government measures, as well as outbreak containment measures which were not as stringent as in the previous year, facilitated economic recovery.
- Value of merchandise exports quickly recovered, helping to shore up domestic demand.
- Value of merchandise imports increased in line with oil prices and higher merchandise exports.
- The continuity of government measures and policy coordination among government agencies would be critical to support the economic recovery. Fiscal measures must continue to sustain the economy, especially disbursements under the restoration plan.



The Thai economy would expand somewhat lower than the previous projection, and the recovery would remain uneven across economic sectors



Main drivers

- Quick export recovery in line with the expansion of trading partner economies
- Additional fiscal stimulus measures

Significant risks

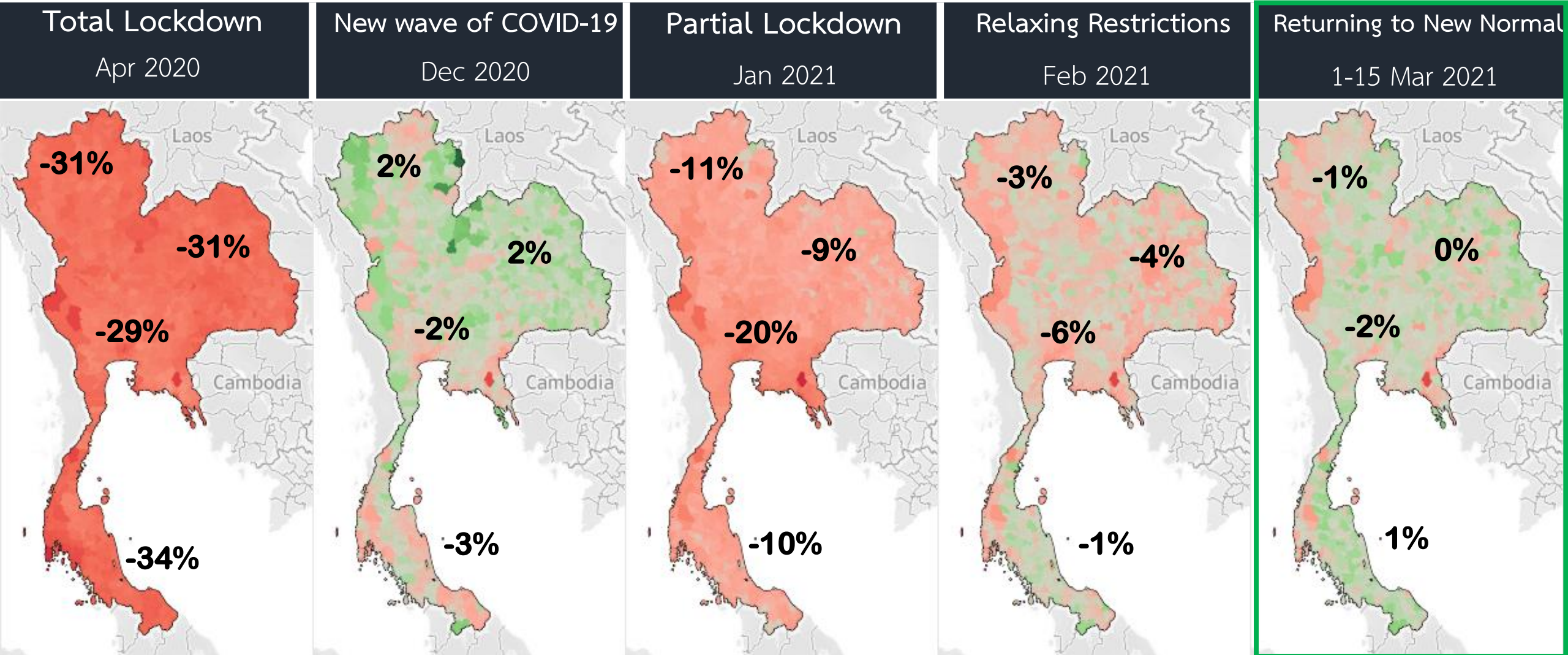
- Efficacy and distribution of COVID-19, and the recovery of foreign tourist figures
- Continuity of fiscal support

The Thai economy would require sustained support from government measures



Economic activities in March 2021
continued to improve in all regions

Facebook Movement Range



Unit: % change relative to Feb 2020

Source: Facebook Movement Range Maps

-0.598 0.751



Need to expedite the new financial rehabilitation measures to distribute liquidity in a targeted manner, reduce the debt burden, and support the economic transformation in the period ahead



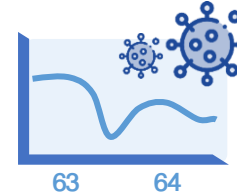
Stakeholder engagement



e.g. not enough credit line / limited access to capital / terms and conditions on loans not sufficiently reflecting risks

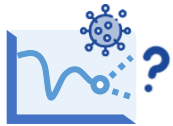


New wave of COVID-19 outbreak



Not as severe as the previous wave but exacerbated financial positions of some businesses and households

New assistance measures



Flexible in case of uncertainties



Comprehensive solutions



Inclusive for different needs of affected borrowers in the near and long term



1 Soft loan facility for businesses

(Budget: THB 250 bn)



2 Asset warehousing program

(Budget: THB 100 bn)