



COUNTRY REPORT OF THE ASEAN ASSESSMENT ON THE SOCIAL IMPACT OF THE GLOBAL FINANCIAL CRISIS: THAILAND

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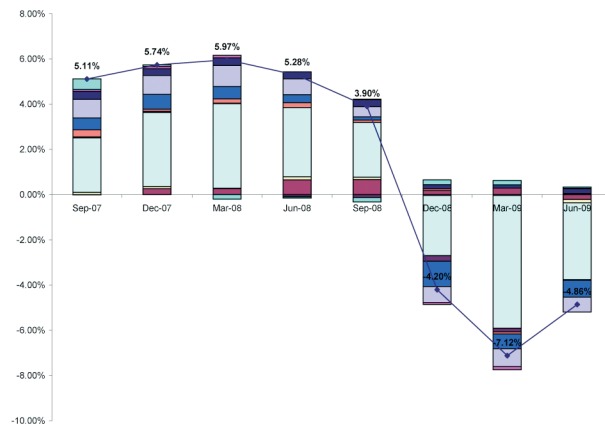
I. THAILAND'S ECONOMIC SLOWDOWN

Although Thailand's economy remained resilient in the face of the food price crisis early in 2008, it was hit particularly hard by the financial and economic crisis in the fourth quarter of 2008, and real GDP is projected to contract by 2.9 percent in 2009 as a whole. In recent years, Thailand's pace of expansion has been slowed down by high energy prices and waning consumer and investor confidence. As a result, real GDP growth declined from 6.2 percent per year during between 2002 and 2004 to 4.6 percent per year between 2005 and 2007 (World Bank, 2007). This was below the 5.5 percent growth of Southeast Asia as a whole during the same time period and contrasted with the impressive performance of other countries in the Greater Mekong Sub-region (GMS). Thailand's extraordinarily strong growth in the first three quarters of 2008,¹ attributable to robust exports and investment, took a severe hit in the fourth quarter with the sharp decline in global demand and the domestic political crisis, which negatively affected tourism and consumer confidence. Figure 1 and 2 both show a sharp drop in exports in the third quarter of 2008 and the following drop in GDP growth. For 2009, real GDP is projected to contract by about 2.9 percent. The World Bank expects the government's fiscal stimulus package to lessen the negative impact of the global economic crisis, but the contraction may become more severe. Export volumes are expected to have contracted by 16 percent in 2009, and the reduction in the arrivals of tourists from developed countries will put a heavy strain on the export of services, which are projected to decline by 6.6 percent this year.

There has been a severe decline in production in the Thai economy since the beginning of 2009, and firms are expecting the crisis to persist for some time to come. As can be seen in Figure 1, the decline in economic activity has been experienced by a wide range of firms in all sectors. This has been confirmed in focus group discussions (FGD) held with executives and business leaders in several regions throughout Thailand (World Bank, 2009a). Automobile manufacturers, real estate, and IT and electronic businesses have seen a slump in domestic and international demand. Representatives of IT businesses mentioned that to cut costs they will soon have to lay off workers and reduce working hours. Some also reported that they are sending some of their workers on additional holidays, and that they will cut overtime. Compared with the financial crisis a decade ago, firms stated that they were provided with much more information and are now in a much better position to adapt their businesses to the crisis. They all expect the crisis to last for the next two to three years.

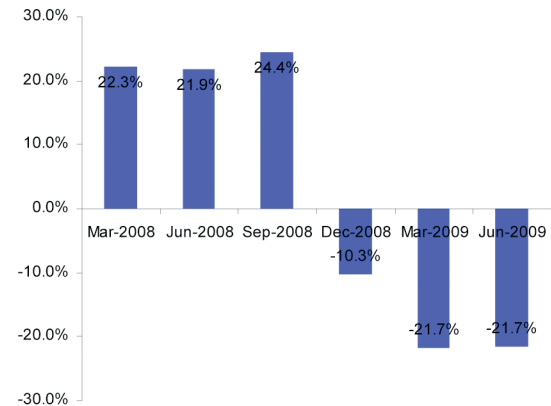
¹ In the first three quarters of 2008, output grew by 5.1 percent year-on-year.

Figure 1: GDP Growth (year-on-year)



Source: National Statistics Office, Thailand

Figure 2: Export Growth (year-on-year)



Source: National Statistics Office, Thailand

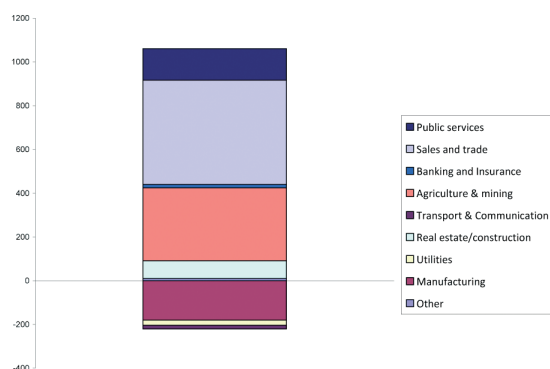
The financial crisis has had some impact on unemployment and underemployment starting in December 2008, though overall unemployment is still very low. As the economic crisis began, unemployment rates in Thailand increased (Figure 5). In December 2008, the number of unemployed individuals rose by 65 percent year-on-year, resulting in an unemployment rate of 1.4 percent in December and 2.4 percent in January. A survey conducted by the Ministry of Education showed that the crisis also hit new graduates from public and private universities. The share of unemployed new graduates almost doubled from 17.7 percent in 2007 to 30 percent in 2008, which is evidence that labor supply and demand are moving further apart. However, the unemployment rate only tells one part of the story. The number of underemployed workers² in fact increased by roughly 3 percent (180,000) between September 2008 and March 2009 (World Bank, 2009a).

Thailand has experienced a shift in the distribution of employment, with workers moving out of manufacturing into mainly public services and sales and trade, but average wages remain roughly unchanged. Looking at the sectoral distribution of employment (Figures 3 and 4), it can be seen that employment in manufacturing declined by more than 200,000 in both the first and second quarters of 2009. This is hardly surprising given the sharp decline in exports (Figure 2), which was largely experienced by manufacturing industries. On the other hand, both the public sector and sales and trade attracted an increasing share of employment. The fiscal stimulus package succeeded in creating new employment as government spending on health care and education increased. In all probability, the increase in sales and trade is due to growth in the retail sector, with most of the new employment being in the informal sector in supermarkets and general retail shops. Most of these jobs are likely to be part-time with no formal safety net or security attached. However, it is not possible to confirm this because of a lack of detailed sectoral employment data. Data on nominal wages (Figure 6) suggest that adjustment in labor markets only happened via employment with average sectoral wages staying roughly constant over time. However, focus

² In Thailand, workers are underemployed if they work less than 30 hours and are available for more work.

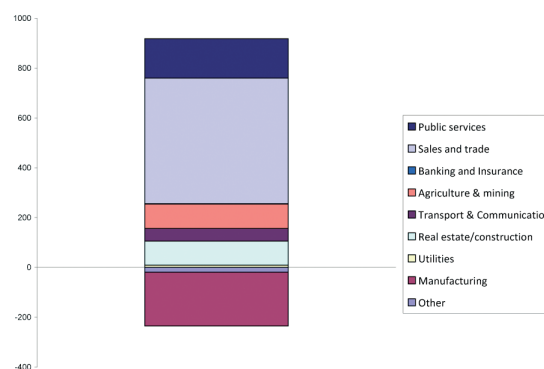
group discussions held with Thai workers in all sectors in April 2009³ indicated that few workers have experienced wage cuts or reduced working hours. Some formal workers did not find it sufficiently profitable to remain employed with their company and left voluntarily. Others preferred to remain employed despite having their salaries reduced because they feared not finding a job in the near future.

Figure 3: Employment gains and losses across sectors (y-o-y, June 2009)



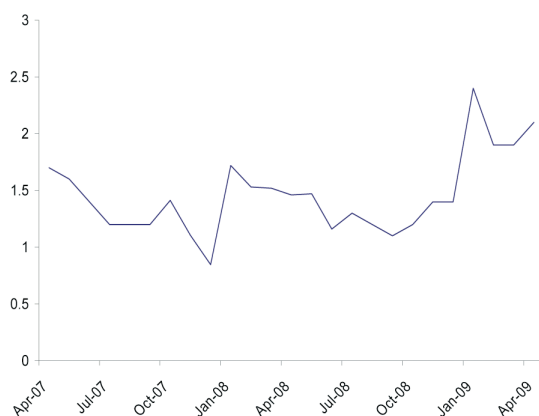
Source: National Statistics Office, Thailand

Figure 4: Employment gains and losses across sectors (y-o-y, March 2009)



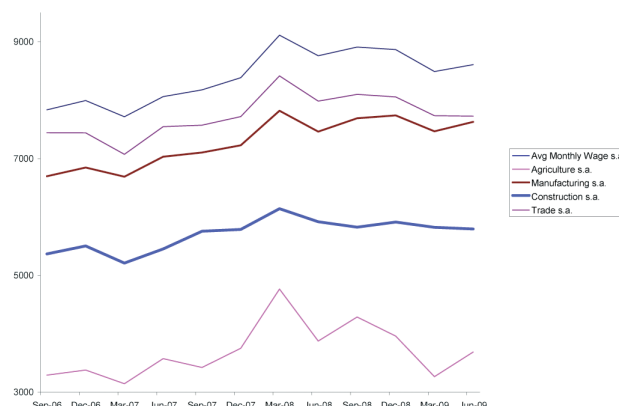
Source: National Statistics Office, Thailand

Figure 5: Unemployment Rate in Thailand



Source: National Statistical Office, Thailand

Figure 6: Nominal Wages, Selected Sectors



Source: National Statistical Office, Thailand

Low-skilled workers in the very large informal sector are being particularly affected by the crisis because of their high exposure to financial risks. Informal sector workers generally have experienced reduced earnings and cope through increased borrowing or reduced consumption. Participants in focus group discussions held with informal sector workers in an area close to the port of Bangkok reported that the amount of available work has

3 World Bank (2009a)

decreased over the past few months for workers in different fields. All participants mentioned that daily rates have been cut, with those of skilled construction workers and porters being down by roughly 60 percent. Piece rates for sewing workers who sell their products (such as trousers and shirts) to firms went down from 12 Baht to 9 Baht. Some sewing workers even reported that there is no guarantee that they will be paid and that they have to bear the cost of their material and inputs. Informal workers compensate for their loss in earnings by borrowing money from banks, credit unions, and credit sharks who charge up to 20 percent interest per month. Some have reduced their daily consumption and cut their food expenditure by reducing their number of meals per day from three to two. Participants usually had no access to formal safety nets such as the Social Security Fund (SSF) because they could not afford the monthly premium of 280 Baht.

A reduction in the number of tourists visiting Thailand has meant that hotel occupancy in Bangkok is now as low as 30 percent, and a large number of workers in the tourism sector are expected to lose their jobs in 2009. Tourism was not only hit by the financial crisis but also by growing social and political unrest as well as the emergence of H1N1. Tourism officials forecast that Thailand would host 2 million fewer tourists in 2009 than in the previous year, resulting in a loss on the order of US\$2.5 billion (4Hoteliers, 2009). Because the Thai economy relies to a large extent on tourism receipts, the decline is expected to have a severe impact on the labor market. The Association of Thai travel agents expects the number of layoffs in the industry in the second half of 2009 to be roughly 50,000. To help struggling small and medium-sized tourism companies, the government has approved the Financial Assistance Programme for Tourist Operators in which banks provide small and medium-sized tourism companies with cheap loans for the grace period of one year.

Thailand is one of East Asia's major labor-receiving countries, and migrant workers are also being heavily affected by the crisis. The International Labor Organization (ILO) estimates that there are currently some 1.8 million migrant workers in Thailand from neighboring countries such as Laos, Cambodia, and Myanmar (ILO, 2009). Most are working in the informal sector, including agriculture and fishing, food processing, the construction industry, and various low-skilled services. Again, focus group discussions held with migrant workers in Thailand revealed reduced working hours and earnings over the past few months. Starting in January 2009, some migrant workers have returned back home but hope to come back to Thailand once the economic situation has improved. Those workers who have no valid work permit and no registration are particularly badly off, as they are not able to change their jobs because employers now only accept workers who hold a work permit. The Thai government also took measures to reduce the share of migrant workers in the labor force by refusing to issue more work permits in 2009. Some 500,000 work permits will not be renewed in 2010, and the authorities have threatened to deport undocumented migrant workers. This could make the situation untenable for migrant workers, causing them to return to their home countries.

Monitoring

In Thailand, there is a shortage of data that could be used to monitor the effects of the global financial crisis as only labor force data are collected frequently and processed in a timely fashion. Data are collected on social indicators but in a less consistent manner. The official Labor Force Survey (LFS) in Thailand is very well developed. It

is conducted throughout the year, and representative quarterly and monthly aggregated results are made available with a lag of only two to three months. In contrast, the National Statistics Office (NSO) conducts a Health and Welfare Survey (HWS) only once a year⁴ with the latest available results being from 2007. In addition, administrative data are collected but are only made available with a considerable time lag. The National Health Security Office (NHSO), a part of the Ministry of Public Health (MOPH), would like to be able to monitor and mitigate the impact of the financial crisis in two ways. First, it is expected that, with rising unemployment and workers shifting from formal to informal employment, members of the Social Security Fund (SSF) will shift to universal coverage, which provides basic health benefits for free. The NHSO wants to use existing data from the Social Security Office (SSO) to track this move between systems. Second, the NHSO is also expecting that laid-off workers are feeling a high degree of psychological strain. Therefore, the MOPH would like to monitor the industries that are affected by the economic crisis. To this end, the MOPH intends to work closely together with the Ministry of Labor to get an indication of the regional as well as the sectoral impact of the crisis in terms of layoffs. In the education sector, standard administrative data are collected annually (on, for example, net and gross enrollment rates, the number of schools, and the number of teachers). An interesting figure is the unemployment rate of new graduates, which is collected every year in September.

The Government's Response

To contain the impact of the recent crises and to stimulate the economy, the government has introduced economic stimulus measures and has accelerated the disbursement of public expenditures. This is true for both the food and fuel crisis in 2008 and to the financial crises in 2009. Some of the initial relief measures for the food crisis were carried over into 2009 to keep the cost of living low, while at the same time the government introduced additional social protection programmes in the first of the two stimulus packages implemented to mitigate the impact of the financial crisis.

In 2008, to alleviate the impact of the food and fuel crisis, the government introduced a stimulus package consisting of three separate rounds of interventions.⁵ In the first round, in January 2008 the government reduced both personal and corporate taxes, raised non-taxable income levels and tax exemptions for savings, such as provident funds and government pension funds, and gave tax benefits to small businesses and newly listed companies.⁶ The second round of interventions was aimed at alleviating the hardship of low-incomes groups through expansion of micro-credit and facilitating the provision of credit by government banks. This effort included: (i) expanding the Small Medium and Large (SML) village scheme to more villages;⁷ (ii) maximizing the Village and Urban Community Funds (VUCF) by enhancing their potential to become centers of community development, eventually upgrading them to community banks, and by extending coverage to the remaining 1 percent of villages that had not received any funds;⁸ (iii) providing unsecured loans through the Government Savings Bank; (iii) providing soft housing loans; (iv)

⁴ Between 2003 and 2007, the HWS was conducted annually. The survey was not fielded in 2008, but the 2009 round is currently being conducted.

⁵ Keiichiri Oizumi, 2008, Economic policies of new Samak administration, Asia Monthly at <http://www.jri.co.jp/english/asia/2008/05/thai.html> (see also WB 2008a:18-19)

⁶ Keiichiri Oizumi (Idem) at <http://www.jri.co.jp/english/asia/2008/05/thai.html> (see also WB 2008a)

⁷ By then 73,821 village funds, 3,454 urban funds, and 738 military community funds had been established. See <http://thailand.prd.go.th/print.php?id=3637&type=inside>

⁸ http://thailand.prd.go.th/view_inside.php?id=3637

proclaiming a three-year moratorium on repayment loans to farmers from the Bank for Agriculture and Agricultural Cooperatives; and (v) providing loans to farmers who were willing to switch to alternative energy crops.⁹ Finally, the third round of policies announced in June 2008 consisted of six relief measures to be implemented between July and December of 2008 to mitigate the negative effects of the crisis on low-income groups, namely: (i) reducing excise tax on gasohol and diesel; (ii) freezing the price of LPG gas for cooking; (iii) reducing water utility charges; (iv) reducing electricity charges; v) reducing the cost of bus travel and offering free travel on non-air-conditioned buses; and vi) providing free railway travel in third class.¹⁰ Following the change of government in December 2008, one of the new administration's first actions as the global financial crisis was unfolding was to allocate 13 billion Baht from the annual fiscal budget to extend the 2008 relief measures for another six months up to June 2009 in an attempt to keep the cost of living down.

Then, in early 2009, In direct response to the GFC the government approved a 116.7 billion Baht supplementary budget to fund a first stimulus package that introduced new social protection measures including cash transfers, training, education subsidies, increased funding for community development projects, and housing support. By committing this money on top of the resources that had already been allocated, the government hoped to restore confidence and spur economic growth, while enhancing the quality of life and the social security of low-income groups through a number of welfare-related measures, which will be described in Section III.

In the second half of 2009, the government unveiled a second stimulus package of 1.43 trillion Baht (5 percent of GDP), which is funding public investment in various projects across the country until 2012 (see Figure 7). For this year (2009), 300 billion Baht worth of infrastructure projects are planned. The programme is expected to create 1.5 million jobs, stimulate private consumption, and support industries in the construction sector.¹¹ Its focus is on economic recovery, and no specific welfare programmes are included. Where health, education, or social security is concerned, these investments are concentrated on infrastructure and, to a much lesser degree, on building the capacity of personnel and institutions rather than providing direct services to vulnerable and disadvantaged groups.

9 Keiichiri Oizumi (Idem) at <http://www.jri.co.jp/english/asia/2008/05/thai.html> (see also World Bank, 2008a)

10 <http://media.thaigov.go.th/pageconfig/viewcontent/viewcontent1.asp?pageid=472&directory=2122&contents=22026>. More detailed information at <http://www.biothai.org/cgi-bin/content/news/show.pl?0744>

11 <http://www.chuaichart.com/en/>. Information in English is only available for the first stimulus package, as all information about the second package is in Thai.

Figure 7: Stimulus Package II

Program 1.43 Tri-Baht	Water System/ Agricultures 238,515 Mil-Baht	Public Infrastructure 837,642 Mil-Baht	Tourism 8,506 Mil-Baht	Creative Economy 17,585 Mil-Baht	Education 53,969 Mil-Baht	Public Health 10,441 Mil-Baht	Community 91,708 Mil-Baht
Sub-Program	Water Management	Transport & Logistics	Image Revival	Cultural Heritage Conservation and Restoration	Learning Community Building	Production and Strengthening Capacity of Medical and Health Care Staff	Development Programs for 5 Provinces in Southern Thailand
	Technology & Standard Improvement for Agricultural Sector	Alternative Energy	Tourism Marketing	Arts and Cultural Town	Quality and Standard Improvement on Education and Learning System	Research and development of medical technology	Investment Programs for Job Creation and Income Generation in Communities
		Telecommunication	Creative Tourism Products	Thai Handcraft Promotion	Intellectual Infrastructures Improvement plan and Center of Education in sub-region and region		
		Education	Tourism Site Recovery	Creative Product Promotion			
		Natural Resources	Standard Improvement	Thai Software Industry Promotion			
		Public Health		Design Industry and R&D Promotion			
		Social Security			Quality Improvement on Teachers and Education Reform		
		Science & Technology					

Source: NEBDS in Khamman (2009)

The latest Monthly Economic Report (MER) issued by the Fiscal Policy Office (FPO) in July 2009 credits this expansionary fiscal policy with contributing to the recent improvement of the economy. This improvement has manifested itself in a slowdown of the contraction of domestic consumption (and a related increase in value-added tax) and a slight increase in private investments compared with previous months. In an effort to cushion the adverse effects of the crisis on the population and, especially, on its vulnerable segments, the government has adopted short-term measures in the form of subsidies, job creation, and tax alleviation benefits, while also continuing and expanding its existing policies to promote public welfare and vitalize grassroots communities. The FPO has also observed some first signs of recovery in the export sector driven by a revival of the global economy (for detailed economic monthly indicators see Annex Table 2).¹² In August 2009, the dollar value of Thailand's exports grew for the fourth consecutive month as orders for agricultural products, auto parts, and electronics have started to pick up (Bangkok Post, 2009). This economic stabilization was also reflected in a fall in unemployment rates to 1.4 percent in July from 2.1 percent in the first quarter of 2009, and an expansion of 2.3 percent in overall employment both in the agricultural and non-agricultural sectors, except for the manufacturing industry sector (for labor market specifics see Annex 3).

¹² http://www2.mof.go.th/economic_report_detail.php?id=35

II. SOCIAL PROTECTION POLICIES AND PROGRAMMES: FROM THE ASIAN CRISIS TO THE GLOBAL FINANCIAL CRISIS AND THE EVOLUTION OF THE THAI SOCIAL PROTECTION SYSTEM

At the onset of the economic crisis, the universal health scheme and the limited pension system were the cornerstones of the Thai social protection system, complemented, as in the past, by cash and in-kind transfers and income generation programmes. The benefits awarded by these systems vary according to a person's work status (see Table 1).

Table 1: Social Protection Coverage by Work Status

Work status	Government employee	State-enterprise employee	Private employee in non-agr	Private school teacher	Other workers (self-employed, agr workers)
Sickness and maternity					UC**
Death and survivor	General tax revenue**	State enterprise revenue **	WCF and SSF + contribution from government*	PSTWF + contribution from government*	No
Disability					No
Child allowance					
Unemployment	Not relevant	Not relevant	SSF*	No	No
Pension: Defined benefit	General tax revenue**	No	SSF*	No	No
Pension: Defined contribution	GPF + contribution from government*	Provident fund*	Provident fund*	PSTWF*	No

Notes: GPF = Government Pension Fund, WCF = Workmen's Compensation Fund, SSF = Social Security Fund, PSTWF = Private School Teacher Welfare Fund, UC = Universal Health-care Coverage, *Contributory scheme, **Non-contributory scheme.

Source: ILO (2008)

When the Asian financial crisis struck in 1997, in Thailand like in other countries in the region, the social protection system was under-developed. In particular, the SP system was fragmented, consisting of a patchwork of overlapping programmes instead of a comprehensive system that integrated shorter- and longer-term measures into a consistent whole (Cook et al, 2003 and Suksiriserekul 2000). Thailand's fragmented system mainly provided social security to employees in the formal sector, especially public employees, through both non-contributory and contributory schemes. In addition to these employment-related schemes, the government subsidized health care services for the poor and near-poor and provided social assistance to the elderly, the disabled, and other vulnerable groups in the form of cash transfers, counseling, training, in-kind assistance, and temporary accommodation. There were many of these social assistance programmes, most of which were had limited coverage of the specific eligible groups in that the number of beneficiaries was limited by the available budget rather than by actual needs (ILO, 2008).

As social welfare deteriorated and the population grew increasingly impoverished during the Asian financial crisis, the Government of Thailand made an effort to maximize its existing social programmes. The social security system for formal workers was stretched to include old age benefits as well as sickness, invalidity, maternity, and death benefits, and child allowances, and existing education and health insurance schemes for the poor were expanded to include a larger number of beneficiaries. Policymakers and experts came to view the system as barely viable in crisis times and insufficient for the longer-term needs of the population and recognized that it had flaws in terms of coverage, efficiency, and equitability that needed to be tackled.¹³

When the economy started to recover from the Asian crisis, the Thai government began to consider adopting more comprehensive social protection policies. The 9th National Social and Economic Development Plan (2002-2006) promoted balanced economic and social development and aimed to increase social protection and enhance human capital. In line with the Plan, the newly established Ministry of Social Development and Human Security (MSDHS) sponsored the Social Welfare Promotion Act B. E. 2546 in 2003 to enable the provision of social services to the poor and disadvantaged.¹⁴ The Act provides the framework for more specific sectoral approaches, serving as the parent act for derivative laws such as the Children Protection Act and the Senior Citizens Act.¹⁵ It also established a multi-sectoral National Committee on Social Welfare Promotion led by the Prime Minister and consisting of representatives of relevant government agencies and other stakeholders, with corresponding social welfare promotion committees in the provinces and municipalities all over Thailand. This multi-level governance structure has been entrusted with the development of a social protection system that meets the basic needs of the Thai people and enables them to achieve a good quality of life and self-reliance by ensuring that they receive minimum amounts of education, health, shelter, employment, and incomes and by allowing them to participate in decision-making about the provision of services in their communities (Krongkaew, 2007).

Under this framework, the administration increased the funding for social protection and, thus, expanded the coverage of social assistance programmes (the so-called “ua-athorn” or “care” programmes). The coverage of the SSF and WCF social security schemes was also broadened from enterprises comprising 10 workers or more to all enterprises, even those with only one worker. Moreover, in 2004, an unemployment benefit was introduced into the SSF scheme (Kanjaphoomin, 2004).¹⁶

Most importantly, health security was strengthened with the introduction in 2001 of the so-called 30-Baht marginal health insurance scheme, which guaranteed health services to all people who did not qualify for civil servants’ medical benefits or social security benefits at a flat rate of only 30 Baht per treatment. The National Health Insurance Office manages the universal health coverage scheme, which is funded from tax revenues and government allocations. Government expenditure on public health care increased from approximately 9.5 percent of total government expenditure between 1995 and 2005 to 12 percent in 2006 (ILO, 2008). Public health care comprises civil servants’ medical benefits, health care for formal sector employees (under social security

13 <http://www.thailandoutlook.com/thailandoutlook1/government+policy/the+9th.htm>

14 B.E. refers to the Thai Buddhist calendar year with 2546 being equivalent to 2003.

15 Children Protection Act B.E. 2546 and the Senior Citizens Act B. E. 2546

16 http://www.asean-ssa.org/CP_Thailand.doc

benefits), and a universal health care scheme. In education, the implementation of the Second National Education Act B.E. 2545 in 2003 extended compulsory education to nine years and the provision of free education to 12 years, which meant that the Ministry of Education became responsible for subsidizing schooling from kindergarten to the end of secondary school.¹⁷

These social assistance and welfare policies were accompanied by an array of poverty alleviation programmes directed at increasing the livelihoods of low-income households and individuals, while reducing their exposure to social risks (ILO, 2008, Table 2). A fourfold strategy, involving 13 ministries and 26 affiliated bodies, was proposed to: (i) maximize the potential of the poor; (ii) control farmers' debts; (iii) build up pro-poor public facilities and infrastructure; and (iv) reduce unemployment and help low-income workers to acquire more skills. (Thadaniti, 2007).¹⁸ Large-scale construction projects, which had been planned to attract foreign investment in the country, also played a social protection role by providing employment.

III. SOCIAL PROTECTION RESPONSES TO THE CRISIS

Following the change of government in December 2008, one of the new administration's first actions was to allocate 13 billion Baht from the annual fiscal budget to extend the 2008 relief measures for another six months up to June 2009 in an attempt to keep the cost of living down. Only the fuel subsidy was cancelled because of the sharp decline in oil prices. The free bus and train rides and subsidies for water and electricity charges were retained with slight modifications to ensure that these measures would indeed benefit low-income people.¹⁹ For instance, the limit for free water supply was reduced from 50 to 30 cubic meters, and the half-price scheme from 80 to 150 units/mth was abolished, while the limit of free electricity was increased from 80 to 90 units/mth (BOT, 2009). A 40 billion Baht tax subsidy programme was also launched that included measures to benefit small enterprises and to preserve employment (Bangkok Post, 2009b).²⁰

In a more direct response to the global financial crisis, the government approved a 116.7 billion Baht supplementary budget in early 2009. This stimulus package included several welfare and pro-poor measures including the following (see also Annex 3):²¹

- The provision of one-time 2000-Baht handouts. These cash transfers (called Check Chuay Chart or Save-the-Nation Check) were distributed to 8.1 million Social Security Fund members and 1.3 state-owned enterprise employees and civil servants (including districts and village heads) with monthly earning of less than 15,000 Baht for a total of about 19 billion Baht. The handouts were paid out in vouchers to be used to purchase goods at selected stores or cashed at designated banks.

17 www.onec.go.th/publication/law2545/nation_edbook.pdf

18 <http://thailand.prd.go.th/ebook/review/content.php?chapterID=9>

19 http://www.nationmultimedia.com/2009/01/15/opinion/opinion_30093253.php

20 http://www.aseanaffairs.com/thailand_tax_relief_package_to_boost_economy

21 This information is collated from various sources: World Bank, 2009; Khamman, 2009; Bangkok Post, 2009c; 2009d; <http://www.bangkokpost.com/breakingnews/136049/unemployment-compensation-extended>; <http://www.bangkokpost.com/news/local/10080/grassroots-get-a-share-of-stimulus>

- A budget of 6.9 billion Baht for building the capacity of the unemployed. The so-called Tonka Archeep (Career Sprout) intensive vocational training programme aims to train 500,000 unemployed, soon to be unemployed, and new graduates in 2009 and 2010, providing them one month of training and three months' cash allowances to start their businesses or professions. As of September 2009, of the 550,000 applicants, 173,000 had already completed the training, while 134,000 were no longer in need of the training having found a job in the meantime. According to government sources, Tonkla Archeep had already helped 150,000 trainees to find jobs and another 20,000 to 30,000 to run their own business.²² This targeted intervention is to be complemented by the government's efforts to accelerate and increase spending on public infrastructure projects to create job opportunities.
- The extension of free education from 12 to 15 years, with the government paying 70 percent of tuition costs and covering the costs of students' uniforms, textbooks, and exercise books. The policy budgeted at 18.257 billion Baht aims to enable 11.8 million students to access education at (almost) no charge. In March 2009, funds were transferred to more than 40,000 schools for them to purchase books before the start of the semester in May.²³
- The distribution of 500-Baht allowances to about 5 million senior citizens for a period of six months, starting April. The beneficiaries are those aged 60 or over who receive no support from other government institutions and who register at local administration offices. The programme has a total budget of about 9 billion Baht. Unlike in previous schemes, in this new scheme, participants are not selected on the basis of poverty per se, although the elderly are over-represented among the poor.
- An increase of funding for ongoing community development projects. In particular, resources made available for villages to finance projects of their choices under the SML Programme, now renamed Krongkarn Chumchon Por Piang (or Sufficiency Economy Community Project) were doubled to a range of 400,000 to 600,000 Baht per year depending on their size. The spending of the remaining SML budget of 6 billion Baht was expedited, while another 15 billion Baht was made available from the supplementary budget.
- Granting of fringe benefits (600 bahts) to an estimated 830,000 village health volunteers for a total of 3 billion Baht. Also in health, about 1 billion Baht was allocated for improving health posts in rural areas.
- Provision of housing to about 572 lower-ranking police officers.

Social protection programmes were also strengthened outside of the stimulus package itself. For example, a 2 billion baht additional budget was reserved for the more than 990,000 people who have registered for universal coverage, and unemployment benefits were extended from six to eight months for formal sector employees under the SSF scheme. To assist poor farmers confronted with falling agricultural prices, the government introduced price intervention schemes for major crops. According to government estimates, such schemes have benefited

²² <http://www.nationmultimedia.com/worldhotnews/30111997/Tonkla-Archeep-target-to-be-lowered-amid-recovery> <http://www.thailandoutlook.tv/toc/ViewData.aspx?DataID=1018038>

²³ http://www.nationmultimedia.com/2009/01/08/national/national_30092684.php; <http://www.thaivisa.com/forum/15-Years-Free-Education-Programme-t264549.html>

more than 1.5 million farmers.²⁴ The government also approved 607 million Baht to buy back previously auctioned farmland, costing no more than 2.5 million baths, which has benefitted 1,187 farmers (Bangkok Post, 2009e).²⁵

The second stimulus package unveiled in 2009 and described in Section I focused on reactivating the economy and did not include specific social protection measures. As mentioned above, the programme, equal to 5 percent of GDP, is expected to create 1.5 million jobs, stimulate private consumption, and support industries in the construction sector. The main social protection effect will be through the generation of employment, as no additional welfare programmes are included. Where health, education, or social security is concerned, the investments have been concentrated on infrastructure and, to a much lesser degree, on building the capacity of personnel and institutions rather than on providing direct services to vulnerable and disadvantaged groups.

It is difficult to undertake any assessment of the effectiveness of the policy response aimed at enhancing social protection and containing poverty in this time of crisis because there is little or no evidence with which to assess the degree to which the response has sheltered vulnerable groups. Most of the measures of the first stimulus package are still ongoing, having been launched around March or April 2009, and with some having experienced a slow start. A recent report by the World Bank (2009) assessed that the first stimulus package had been “modestly” pro-poor, with 9.4 percent of the beneficiaries versus 8.5 percent of the overall population being poor. The report observed that the package resulted in a bias against poor in the informal sector because of the particular mechanisms that were used to disburse funds rapidly (such as the social security system for the 2000-Baht hand-outs) and because there was insufficient targeting of vulnerable groups. Vulnerable households in the urban sector are the most under-represented among the beneficiaries of the package, but the measures have also failed to reach all of the poor in rural areas even though the package contained specific programmes directed at rural areas (see Table 2). A report by the Thai Development Research Institute (TDRI) titled the “Economic Shocks and the Vulnerable in Thailand” that was published in March 2009 contended that the needs of the poorest were not sufficiently met by the first package and that interventions, now as in previous crises, were not well-targeted due to a lack of basic information that could accurately identify the vulnerable segments of the population (Jitsuchon and Siamwalla, 2009).

Table 2: Beneficiaries of Cash Transfer Measures under the Fiscal Stimulus in 2009

	Group		Group			Total
	Non-Poor	Poor	Rural	Urban		
Formal				Informal		
Amount from cash transfer measures going to group (US\$ million)	2,527	261	1,781	638	368	2,787
Proportion of package going to group (%)	90.6	9.4	63.9	22.9	13.2	100.0
Proportion of group in population (%)	91.5	8.5	70.0	11.2	18.8	100.0

Source: World Bank staff estimates based on the 2007 Socioeconomic Survey and the 2007 Informal Labor Survey in WB (2009)

24 http://thailand.prd.go.th/view_inside.php?id=4334

25 <http://www.bangkokpost.com/breakingnews/136049/unemployment-compensation-extended>

The level of disbursement of government funds is one of the few tangible indications of the progress and efficiency of the stimulus programmes. As of May 2009, only 55.8 billion Baht (or 47 percent) of the first stimulus package was spent, mostly through public welfare programmes. The four programmes with the highest disbursement rates ranging between 93 and 59 percent were in order the 2000-Baht Save-the-Nation Check programme, the 15-year free education programme, the provision of utility subsidies to households, and the distribution of allowances to the elderly. Other programmes, especially those involving construction projects, have had much lower disbursement levels, with some of the smaller programmes, such as the construction of village infrastructure and the provision of housing for the police force, still waiting to begin. If there have been any delays in the last three months of this fiscal year, this will carry the funds over to the 2010 fiscal year, which started in October 2009. Moreover, these delays may dilute the impact of the stimulus measures or there may be a risk that disbursements will be accelerated at the expense of quality and accountability (see also Annex 3).²⁶ Interviews have suggested, for instance, that the Tonkla Archeep programme may have broadened its selection criteria as well as the kind of training that it provided to try to meet its target after a very slow start. In any case, Tonkla Archeep has come to be seen as a success, and after considering discontinuing it because of the rebound in employment, the government resolved to continue the programme with an additional focus on the workforce in the agricultural sector.²⁷

IV. SOCIAL POLICY ISSUES LOOKING FORWARD

A sharp increase in public debt is considered as a possible barrier to realizing longer-term, structural policies that include the realization of a needed comprehensive and higher quality social protection system.²⁸ The policy measures introduced as a response to the crisis have not dealt with the limitations of a non-unified social welfare system that excludes many Thai workers from social security benefits. As seen in other countries, the preoccupation with stopping the downturn of the economy has understandably compelled the government to focus on short term safety-net measures and continuing support through existing social assistance, welfare and poverty alleviation programmes. As a result, no substantial reforms have been undertaken to strengthen the cornerstones of the social protection system. Only recently, discussion has been revived on the long-pending questions of improving the quality of UC and harmonizing of health financing schemes and of realizing a universal pension system.

Social Assistance

As the economy recovers, Thailand will have to decide how to build on its existing social assistance programmes and lessons learned from the crisis. In particular, it will face decisions regarding whether to introduce regular household social assistance payments and how to strengthen its targeting mechanisms. The Government's social protection response to the crisis, which was strong and timely, focused mostly on existing social assistance and poverty alleviation programmes, and on additional measures such as the one-time cash transfer. Social assistance currently available to the poor centers around universal health insurance, education subsidies and limited additional benefits for selected groups. The Thai welfare system provides significant support to its citizen in the formal sector. However, the crisis also highlighted the need for more comprehensive measures that can reach a larger share

²⁶ BOT 2009

²⁷ <http://thainews.prd.go.th/en/news.php?id=255209180011> <http://www.nationmultimedia.com/worldhotnews/30111997/Tonkla-Archeep-target-to-be-lowered-amid-recovery>

²⁸ Keiichiri Oizumi, (Idem) at <http://www.jri.co.jp/english/asia/2008/05/thai.html>

of the population. Looking forward, it will be especially important to consider how to strike a balance between household based and area-based approaches to social protection and poverty reduction and to consider how to strengthen mechanisms through which to identify and target vulnerable households. For example, currently each programme has its own separate targeting system in place, but introducing common databases and targeting tools could allow for significant economies of scale in programme administration, as well as greater flexibility to adjust in face of emerging vulnerabilities.

Universal Health Coverage

A central piece of Thailand's social protection framework, the universal health coverage programme now faces important challenges as it becomes more and more prominent. After having achieved universal health coverage, quality improvement is even more of a priority to maintain UC positive outcomes and avoid developing a two-class system of care. Evidence shows that the UC has contributed to increased and more equitable utilization of services, to a decrease in the incidence of catastrophic health expenditure and a drastic drop in out of pocket expenses, resulting in better health outcomes and an improvement of income levels for poor households (WB 2008; Prakongsai et al 2009; Palu 2009). Still, many challenges remain. All Thais are in principle covered by health insurance, but benefits and costs vary greatly among the three plans currently available since they are managed independently and with little coordination. The fragmentation of the insurance system contributes to high administrative costs, inefficient use of scarce human resources, poor oversight and lack of transparency, limited purchasing power, inconsistent providers' incentives, and differentiated standards of care at the disadvantage of the poor (Palu 2009; ILO 2008).

Discussion on how to improve management of health funds and synchronize the existing three medical schemes has been reinvigorated recently by the Cabinet's resolution in early September 2009 to migrate wives and children of SSF members from UC to SSS. Some fear that SSF cannot afford to expand its coverage and offer free medical treatment, death benefits, disability, and compensation benefit in case of birth to an additional 5.8 million people in a time of recession, also considering that the government had already a debt of 20 billion in contribution to the SSF. Others worry that by drawing funds from NHSO to contribute to the SSO, while placing the burden of more expensive elderly care on UC, the government is undermining the sustainability of UC. For those in favor, however, a greater role of contributory schemes in health can help the government manage cost pressures, and free funds for other welfare measures. Resistance to unify the schemes into a single structure and fund management remains high, making of a step-by-step harmonization of selected procedures, payments and benefits procedures a more feasible option.

Universal Pension System

In the years ahead the major investment in social protection is going to be a new nationwide savings fund, for which several options are being discussed. At the moment only workers in the formal sector have social security protection: SSF counts 10 million members and GPF about 2 million, with additional coverage available to employees through voluntary provident funds, long-term equity and retirement mutual funds. The to-be- established saving funds would target an estimated 24 to 25 million people below 60 year who have no coverage, mainly low-income workers in the informal sector.²⁹ The levels of contributions and benefits and how to manage the fund will be the key policy debates in the months to come. With the rapid aging of the Thai population, there is pressure to ensure sufficient income standards to the growing number of elderly. The distribution of allowances to senior citizen that started as a response to the GFC could rapidly turn into a more permanent measure, closer to a social pension. As mentioned, contrary to what had happened in the past, in this occasion participants were not selected on the bases of poverty criteria.

It would seems then that the position of the Thai government is gradually shifting toward a recognition that the welfare needs of the Thai population cannot be put on hold in crisis times, and that a strong social protection system is essential in “crisis” as well as in “normal” times. However, whether this shift will indeed materialize is highly dependent on the restoring of political stability and an efficient use of more limited resources. Careful study of vulnerable groups and assessment of relief measures and crisis responses would making strategic choices in allocating funds to programmes and in targeting those most in need. Political will is also needed to expand the social protection discourse beyond nationality boundaries to ensure that all those that live in Thailand and contribute to the Thai economy are cared for.

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²⁹ They would contribute monthly sums, receiving some matching contribution from the government, thus being entitled to a pension.

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Annex 1

Annex Table 1: Monthly Economic Indicators, July 2008-July 2009

	2008	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
External Sector/														
- Dubai crude oil price (US\$/Barrel) /7	93.5	131.2	113.0	96.2	69.0	50.0	40.0	43.7	42.2	44.4	48.7	56.8	68.0	65.4
- Fed funds rate (%) /7	0-0.25	2.00	2.00	2.00	1.00	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0.00
Fiscal sector/1														
- Net government revenue (Billion baht)	1,495.6	107.9	178.7	126.2	90.9	106.3	78.4	94.0	85.8	105.9	94.7	220.6	144.7	98.1
(%y-o-y) /6	1.7	24.9	-14.5	20.3	-19.9	-10.8	-16.6	-3.3	-26.3	11.3	-24.4	-20.4	-49.7	-9.1
- Tax collection from revenue, customs and excise departments	1,633.3	115.8	181.2	165.9	105.0	108.9	93.2	98.0	91.4	117.4	104.1	213.8	156.8	105.5
(%y-o-y)	7.6	14.6	-14.8	69.3	0.1	-8.6	-10.2	-14.7	-20.0	-2.1	-13.0	-24.7	-42.0	-8.9
- Income-based tax (Billion baht)	666.0	34.7	104.7	87.7	31.5	43.1	26.5	36.5	31.9	39.1	32.4	101.3	59.7	29.7
(%y-o-y)	13.2	9.1	-21.6	212.6	2.4	3.9	-6.4	5.7	-1.6	-9.6	-14.1	-35.1	-76.4	-14.5
- Consumption-based tax (Billion baht)	501.7	47.1	43.5	43.3	42.4	36.7	36.9	36.1	30.1	32.5	35.7	32.5	35.8	37.5
(%y-o-y)	12.7	33.3	13.7	19.1	9.2	-6.6	-6.9	-18.3	-25.2	-18.8	-19.4	-20.0	-15.6	-20.4
- Government expenditure (Billion baht)	1,644.5	138.8	124.6	149.9	93.7	165.2	145.4	192.4	179.7	195.3	141.7	161.0	139.5	164.1
(%y-o-y)	0.3	-5.3	1.5	-0.7	-39.7	30.1	31.2	21.5	51.4	56.1	-8.4	27.0	-2.6	18.2
- Current expenditure (Billion baht)	1,296.1	115.9	107.8	125.2	84.6	131.3	118.4	126.0	132.7	164.3	117.2	114.8	110.8	128.6
(%y-o-y)	3.3	-3.0	6.4	7.8	-30.1	39.9	34.2	34.1	35.5	63.6	11.7	5.9	3.3	11.0
- Capital expenditure (Billion baht)	240.8	18.6	12.6	18.3	0.6	18.0	9.5	52.0	33.8	14.2	20.0	40.0	20.2	30.1
(%y-o-y)	-19.1	-20.2	-27.0	-35.0	-97.9	-1.3	-2.0	-1.8	217.0	8.5	-55.7	244.4	-32.1	61.6
- Carry-over budget (Billion baht)	107.6	4.3	4.2	6.4	8.5	15.9	17.6	14.4	13.1	16.9	4.5	6.3	8.5	5.4
(%y-o-y)	10.7	15.1	0.9	-4.5	14.4	6.7	35.1	25.5	30.8	45.3	-2.6	-8.0	38.7	24.1
Supply-side indicators														
Agricultural sector														
- Agricultural production index (%y-o-y) /6	3.9	10.1	5.0	15.2	6.3	3.0	2.0	7.5	6.4	3.6	-3.7	-6.1	1.6	-2.6
- Agricultural price index (%y-o-y) /6	25.1	40.9	34.7	31.1	14.5	7.9	5.1	0.2	-2.5	-11.0	-17.2	-18.4	-18.7	-19.6
- Real farm income (%y-o-y) /14	19.3	37.2	29.1	36.3	12.9	3.5	2.9	4.6	1.7	-12.0	-23.1	-19.9	-14.0	-18.9
- New employment in agricultural sector(%y-o-y) /3	2.0	5.6	-0.4	4.7	4.2	-0.6	2.4	0.1	0.1	1.6	1.2	2.7	3.0	n.a.
Industrial sector														
- Manufacturing production index (%y-o-y) /10	3.9	10.2	5.4	2.2	-0.4	-8.7	-19.7	-25.5	-23.2	-17.5	-13.3	-12.2	-6.8	-9.1
- Imports of raw materials in USD (%y-o-y) /1	29.7	52.9	34.9	59.2	34.7	6.3	-15.2	-41.9	-48.8	-43.2	-34.7	-45.6	-31.8	-33.8
- Capacity utilization (%) /10	62.6	65.2	61.8	61.1	60.8	55.8	53.0	51.7	50.0	54.7	51.0	55.0	55.7	56.9
- New employment in industrial sector(%y-o-y) /3	-3.1	-10.8	-4.7	-6.9	-4.2	-3.9	-6.2	-8.3	-2.5	-3.5	-9.3	-2.6	-2.2	n.a.
Service sector														
- No. of foreign tourists (Million persons) /11	14.5	1.3	1.2	0.9	1.1	1.1	1.2	1.3	1.1	1.2	1.1	0.9	1.0	1.1
(%y-o-y)	0.5	9.4	-4.8	-16.0	-6.5	-21.2	-24.0	-11.9	-23.2	-12.1	-11.2	-19.7	-15.9	-12.5
- New employment in service sector(%y-o-y) /3	3.8	3.9	5.3	2.5	4.6	3.7	3.0	4.7	6.1	4.5	6.2	3.9	4.0	n.a.
Demand-side indicators														
Private Consumption Indicators														
- Value Added Tax at constant price (%y-o-y) /1	9.0	19.0	13.8	16.1	8.4	-4.5	-1.5	-13.2	-21.5	-16.3	-16.5	-15.5	-9.7	-11.4
- Imports value of consumer goods in USD (%y-o-y) /1	27.4	49.1	19.7	41.5	15.4	-8.0	-2.5	-17.9	-21.0	-13.3	-22.9	-15.8	-19.9	-15.8
- Imports volume of consumer goods in USD (%y-o-y) /1	20.8	41.5	14.8	35.7	9.9	-11.1	-5.9	-20.5	-22.1	-12.7	-21.9	-14.3	-19.3	-15.6
- Sales of passenger cars (%y-o-y)	32.7	27.5	20.3	19.1	20.4	33.2	98.2	-10.0	-16.6	-23.4	4.2	-18.3	-8.9	-9.1
- Sales of motorcycles (%y-o-y)	7.9	17.8	5.4	27.0	13.8	-2.5	14.1	-21.6	-16.7	-10.9	-17.7	-9.2	-2.9	-13.3
- Consumer confident index (Index) /5	70.7	71.8	70.5	69.5	68.6	67.1	67.5	68.3	67.2	66.0	65.1	64.3	65.4	66.3
Private Investment Indicators														
- Imports value of capital goods in USD (%y-o-y) /1	18.4	37.4	6.1	14.2	5.8	10.0	-4.9	-29.5	-16.1	-24.7	-26.8	-23.3	-24.3	-23.4
- Imports volume of capital goods in USD (%y-o-y) /1	13.3	29.5	1.8	10.1	2.0	7.1	-7.0	-29.8	-14.9	-22.0	-23.4	-20.4	-21.9	-21.0
- Sales of commercial cars (%y-o-y)	-15.8	-29.3	-25.7	-22.8	-28.3	-36.7	-32.8	-39.5	-38.1	-44.5	-39.7	-31.1	-16.5	0.5
- Total taxes collected from real estate transaction (%y-o-y) /1	12.0	45.0	6.3	21.3	15.7	-5.5	-16.7	0.8	-13.9	52.3	-52.1	-20.5	-14.6	-15.7
- Domestic cement sales (%y-o-y) /2	-10.3	-15.0	-17.1	-17.3	-16.0	-22.4	-2.1	-11.9	-13.8	-11.7	-11.0	-13.0	5.5	n.a.
- Industrial Confidence Index (%y-o-y) /9	77.3	76.9	83.0	81.1	75.5	71.8	62.9	64.1	63.0	69.4	76.3	78.5	83.5	89.9
International trade indicators/1														
- Exports (Billion USD): custom basis	177.8	17.4	16.3	16.3	15.3	11.8	11.6	10.5	11.7	11.6	10.4	11.7	12.3	12.9
(%y-o-y) /4	15.5	45.1	15.9	20.0	3.0	-20.9	-14.6	-26.4	-11.3	-23.1	-26.1	-26.6	-25.9	-25.7
- Export price (%y-o-y) /4	10.5	15.9	15.6	13.5	8.0	4.0	1.7	0.9	-0.3	-2.1	-3.1	-3.1	-3.1	-3.9
- Export volume (%y-o-y)	4.4	25.2	0.2	5.7	-4.6	-23.9	-16.0	-27.1	-11.1	-21.4	-23.7	-24.2	-23.6	-22.7
- Imports (Billion USD): custom basis	179.2	15.1	14.2	13.8	14.3	12.1	10.7	8.7	7.8	9.0	9.3	8.6	10.3	12.2
(%y-o-y) /4	28.1	30.9	8.8	24.1	13.9	0.2	-4.3	-35.3	-37.0	-30.8	-31.4	-29.8	-24.6	-26.8
- Import price (%y-o-y)	12.6	19.1	16.6	12.3	6.9	1.8	-2.3	-3.5	-5.3	-6.3	-7.2	-6.8	-6.2	-7.8
- Import volume (%y-o-y)	13.4	30.9	8.8	24.1	13.9	0.2	-4.3	-35.3	-37.0	-30.8	-31.4	-29.9	-24.6	-26.8
- Trade balance (Billion USD): custom basis	-1.4	-0.7	-0.4	0.6	-0.6	-1.3	0.3	1.4	3.6	2.1	0.6	2.4	0.9	0.7
External economic stability /2														
- Average exchange rate (Baht/USD)	33.4	33.5	33.8	34.3	34.4	35.1	35.0	34.9	35.3	35.8	35.4	34.6	34.1	34.0
- Current account (Billion USD)	-0.2	-0.5	-0.6	-0.3	-1.1	-0.9	0.1	2.3	4.4	2.4	0.4	1.4	0.5	n.a.
- International reserve (Billion USD)	111.0	104.8	101.2	102.4	103.2	106.3	111.0	110.7	113.3	116.2	116.8	121.6	120.8	123.4
Internal economic stability /4														
- Unemployment rate (%) /3	1.4	1.3	1.2	1.1	1.2	1.4	1.4	2.4	1.9	1.9	2.1	1.7	1.4	n.a.
- Producer price index (%yoy)	12.5	21.2	21.6	19.0	8.5	1.9	-1.7	-2.5	-4.0	-4.0	-3.0	-7.2	-10.5	-12.9
- Headline inflation (%yoy)	5.5	9.2	6.4	6.0	3.9	2.2	0.4	-0.4	-0.1	-0.2	-0.9	-3.3	-4.0	-4.4
- Core inflation (%yoy)	2.4	3.7	2.7	2.6	2.4	2.0	1.8	1.6	1.8	1.5	1.0	-0.3	-1.0	-1.2
- Public debt to GDP (%) /1	38.1	36.6	36.9	37.4	37.4	37.6	38.1	39.9	40.9	42.0	43.0	43.4	43.4	n.a.

1/Data from Ministry of Finance

2/Data from Bank of Thailand

3/Data from National Statistic Office

4/Data from Ministry of Commerce

5/Data from University of Thai Chamber of Commerce

6/Data from Office of Agricultural Economics

7/Data from Rueters

8/Data from Tourism Authority of Thailand

9/Data from Board of Investment

10/Data from Office of Industrial Economics

11/ Data from Immigration Office

Source: FPO Monthly Report by at http://www2.mof.go.th/economic_report_detail.php?id=35

Annex 2

Annex Table 2: Labor Market Data up to June 2009 (last updated 31 August 2009)

		JUN 2009	MAY 2009	APR 2009	MAR 2009	FEB 2009	JAN 2009
		p	p	p			
1	Population 1/	66,870.00	66,826.16	66,788.57	66,751.68	66,715.40	66,679.81
2	Age Under 15 2/	14,076.94	14,090.78	14,110.38	14,130.19	14,150.20	14,170.38
3	Age 15 Up	52,793.06	52,735.38	52,678.19	52,621.49	52,565.20	52,509.43
4	Labor Force 3/	38,961.09	38,408.46	38,142.43	37,578.12	37,581.70	37,300.04
5	Employment 4/	38,364.09	37,506.75	37,061.44	36,569.94	36,669.50	36,199.59
6	of which underemployment 5/	394.42	522.97	707.14	606.22	579.33	844.44
7	Agriculture	15,979.23	13,716.28	12,329.28	12,509.31	12,363.50	12,479.84
8	Agriculture, hunting, and forestry	15,560.10	13,310.92	11,892.57	11,998.44	11,896.26	11,998.18
9	Fishing	419.13	405.36	436.71	510.87	467.24	481.66
10	Non-agriculture	22,384.85	23,790.47	24,732.15	24,060.61	24,306.04	23,719.75
11	Manufacturing	5,300.22	5,785.35	5,804.47	5,652.34	6,022.53	5,858.73
12	Electricity, gas and water supply	108.20	100.10	96.30	103.62	85.14	115.33
13	Construction	2,134.15	2,615.23	2,874.95	2,743.90	2,578.83	2,410.55
14	Wholesale and retail trade, repair of vehicles and personal and household goods	5,760.82	6,069.31	6,356.02	6,211.23	6,208.29	6,081.29
15	Hotels and restaurants	2,432.63	2,681.52	2,739.26	2,547.93	2,708.07	2,616.14
16	Transport, storage, and communications	1,197.24	1,147.47	1,202.27	1,294.76	1,235.13	1,280.90
17	Financial intermediation	421.85	365.31	404.61	349.25	370.63	347.48
18	Real estate, renting and business activities	774.50	735.62	694.46	773.16	854.68	763.29
19	Public administration and defense , compulsory social security	1,259.27	1,363.87	1,424.24	1,395.51	1,298.90	1,296.96
20	Education	1,215.61	1,000.80	1,080.25	1,101.90	1,062.05	1,085.22
21	Health and social work	675.80	763.31	680.44	686.16	682.36	602.08
22	Other community, social and personal service activities	789.80	842.34	995.68	847.57	859.44	921.14
23	Private households with employed persons	257.14	239.86	271.89	267.19	251.94	242.13
24	Other 6/	57.62	80.38	107.31	86.09	88.05	98.51
25	Unemployed Persons	547.24	655.62	816.77	710.67	714.60	878.90
26	(rate of unemployment)	1.40	1.71	2.14	1.89	1.90	2.36
27	Looking for Work	96.93	142.40	147.49	154.50	202.00	150.38
28	Not Looking for Work	450.31	513.22	669.29	556.17	512.60	728.52
29	Seasonal Inactive labor force	49.76	246.09	264.22	297.52	197.50	221.55
30	Share of total labor force	0.13	0.64	0.69	0.79	0.53	0.59

Source: National statistical Office, Labor Force Survey

Notes: 1/ Starting June 2009, population figures are obtained from the National Statistical Office of Thailand's website (www.nso.go.th).

2/ Starting June 2009, "population of age under 15 years old" is the residual category, obtained by subtracting those of age 15 years old and above from the total population figures.

3/ The concept of "Labor Force" was revised to cover persons with the age of 15 years and over, as opposed to the original concept of 13 years and over.

4/ Classification of industrial base on International Standard Industrial Classification, (ISIC) Revision 3, 1989, UN.

5/ Work less than 35 hours per week and available for more.

6/ Comprise of mining and quarrying, extra-territorial organizations and bodies and unknown.

Annex 3

Annex Table 3 Mid-Year Supplementary Budget Disbursement (First Stimulus Package) in Million Baht

	Budget Items	Budget Items	Total Amount	Mar 09	April 09	May 09	Accumulated disbursement May 09	Disbursement Rate May 09
1	Low income earner	Living cost subsidy for income earner of less than 15,000 Baht • Socially secured (8.1 million persons) • Public sector official, including pensioners civil servant (1.3 million persons)	18,970	16,216		1,426	17,642	93%
2	Household	Extension of utilities and transportation cost for another 6 months	11,409	6,392	1,591	930	8,913	74%
3	Unemployed	One month training program and living cost allowance for 3 months • Estimate of 240,000 persons for 2009	6,900		47	94	142	2%
4	Parents/ Students	Free education for 15 years • Estimate of 10 million student)	19,000	14,005	1,066	372	15,444	81%
5	Health	Healthcare subsidy fund of 600 Baht per month • Estimate of 830,000 persons	3,000		1,796		1,796	60%
		Health clinic improvement	1,096			2	2	0.1%
6	Village	Sufficiency economy philosophy enhancement on village • Increase funding for 78,358 villages	15,200			5,000	5,000	33%
7	Elder	Elderly subsidy 500 Baht per month • Estimate of 5 million persons	9,000		5,999	12	6,011	66.7%
8	Utilities	Agricultural water source	2,000		21	177	199	10%
		Small water source	760					
		Village infrastructure	1,500			1	1	0%
9	Policeman	Police officer residents of 532 places	1,809			37	37	1%
10	Tourism	Tourism promotion	1,000	16	435	6	457	45%
11	Others	Consumer goods price subsidy	1,000		9	43	52	4%
		Small and Medium Enterprises	500	85	48	3	136	27%
		Economic confidence restoration and national image promotion	325			2	2	1%
12	Contingency	Contingency budget management	4,090					0%
13	Treasury cash repayment		19,139					0%
Total			116,700	36,714	11,014	8,105	55,832	47%

Source: BOT 2009

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