



29 June 2016

### Monthly Economic Report (May 2016)

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**Mr. Pornchai Thiraveja, Deputy Director of the Fiscal Policy Office, Spokesperson of the Fiscal Policy Office** revealed that "The Thai economy in May 2016 reflected economic recovery. Government expenditures were a main driver for economy as capital expenditures of government highly expanded by 51.0 percent per year. Private consumption showed improving signs, while external demand as reflected by exports showed a contraction. Meanwhile, supply-side indicators showed improving signs as Agricultural Production Index (API) showed a positive expansion, Thai Industries Sentiment Index (TISI) showed an improvement, and tourism sector reflected by the number of inbound foreign tourists continued to expand." The details were summarized as follows:

**Private consumption in May 2016 showed improving signs** as real VAT collection expanded by 1.7 percent per year as real VAT collection from domestic consumption base and import base expanded by 1.0 and 2.8 percent per year, respectively. Meanwhile, **passenger car sales** showed first expansion in 36 months by expanding 8.3 percent per year. Likewise, **motorcycle sales** continued to expand by 14.8 percent per year. An expansion in motorcycle sales was from Bangkok and other regions as consumers' purchasing power improved due to agricultural prices and **farmers' real income** which continued to expand from the previous month by increasing 4.7 percent per year. However, **Consumer Confidence Index** was slightly down to 61.1 points lower than that of last month as consumers were anxious about purchasing power which was affected by drought and volatility in global economy which affected export.

**Private investment in May 2016 remained stable from equipment and machinery sector** as **commercial car sales** continued to expand by 26.5 percent per year particularly expansion of 1-ton pickup truck sales, while **the imports of capital goods** contracted by -5.4 percent per year but expanded by 1.0 percent per month after seasonal adjustment. **Investment in construction sector** as reflected by **real estate tax collection** in May 2016 contracted by -19.1 percent per year. In addition, **cement sales** turned to contract by -1.1 percent per year but expanded by 0.3 percent per month after seasonal adjustment.

**Fiscal indicators in May 2016 reflected fiscal policies to continue supporting the Thai economy particularly government expenditures in accelerating investments which showed high expansion.** Total government expenditure was disbursed 189.4 billion baht or expanded by 7.1 percent per year. The annual budgetary expenditure was disbursed 176.5 billion baht or expanded by 7.6 percent per year which was supported by capital expenditure of 36.9 billion baht, expanded by 51.0 percent per year. **Net government revenue collection (net of local authorities' allocation)** was amounted at 307.8 billion baht or expanded by 37.1 percent per year. As a result, the budget balance showed the surplus of 13.6 billion baht.

**External demand as reflected by exports contracted for 2 months consecutively.** In May 2016, export values in terms of U.S. dollars (USD) contracted by -4.4 percent per year. Export goods showing a contraction were fuel, electronics, and agricultural products. In general, exports by destinations showed contraction particularly in ASEAN-5, China, and Japan. Export markets showing an expansion were U.S.A., Australia, Indochina-4 (CLMV), and Middle East. However, comparison of Thai exports to that of other countries in region showed that exports of others contracted as well. In the first 5 months of 2016, Thai export values contracted by -1.9 percent per year, less than that of other countries in region.

**Supply side indicators showed well expansion from tourism sector as the number of inbound foreign tourists** in May 2016 continued to increase by 7.6 percent per year. This expansion was due to tourists mainly from China, including India, Russia, and neighboring countries such as Cambodia, Lao, and Myanmar. Meanwhile, the **Agricultural Production Index (API)** showed first expansion in 4 months by expanding 0.3 percent per year due to an expansion in cassava, corn, fruits, and livestock as a result of no epidemic dispersion and demand increasing. **Thai Industries Sentiment Index (TISI)** was 86.4 points improving from last month as drought situation was alleviated and economic policies to promote and enhance potential industries showed the important role in creating values added to industries.

**Internal stabilities remained favourable and external stabilities remained robust. Headline inflation and core inflation** were low at 0.5 and 0.8 percent per year, respectively. Meanwhile, **unemployment rate** in May 2016 was low at 1.2 percent of total labor force. **Public debt to GDP** at the end of April 2016 stood at 44.1 percent of GDP below the Fiscal Sustainability Framework of 60 percent of GDP. **External economic stability** remained robust reflecting the resilient ability to risk from the volatilities in global economy as **the international reserves** at the end of May 2016 were high at 175.5 billion USD, or approximately 3.4 times of short-term external debt.

*See Attachment for more details.*  
**Attachment**

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***"The Thai economy in May 2016 reflected economic recovery. Government expenditures were a main driver for economy as capital expenditures of government highly expanded by 51.0 percent per year. Private consumption showed improving signs, while external demand as reflected by exports showed a contraction. Meanwhile, supply-side indicators showed improving signs as Agricultural Production Index (API) showed a positive expansion, Thai Industries Sentiment Index (TISI) showed an improvement, and tourism sector reflected by the number of inbound foreign tourists continued to expand."***

**1. Private consumption in May 2016 showed improving signs** as real VAT collection expanded by 1.7 percent per year as real VAT collection from domestic consumption base expanded by 1.0 percent per year and real VAT collection from import base expanded by 2.8 percent per year. Meanwhile, **motorcycle sales** continued to expand by 14.8 percent per year and expanded by 21.5 percent per month after seasonal adjustment. An expansion in motorcycle sales was from Bangkok and other regions as consumers' purchasing power improved due to agricultural prices. **Passenger car sales** showed first expansion in 36 months (May 2013 – April 2016) by expanding 8.3 percent per year and expanded by 13.6 percent per month after seasonal adjustment. However, **Consumer Confidence Index** was down to 61.1 points and this was fifth consecutive month of decreasing in Consumer Confidence Index as consumers were anxious about purchasing power which was affected by drought and volatility in global economy. **Imports of consumer goods** turned to increase by 8.4 percent per year and expand by 4.5 percent per month after seasonal adjustment. Meanwhile, **farmers' real income** continued to expand from the previous month by increasing 4.7 percent per year.

Private Consumption Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/Q2	Apr	May	YTD
Real Value Added Tax Collection (%yoy)	1.0	1.0	1.7	-0.7	2.1	0.1	2.3	2.9	1.7	1.0
<i>%qoq_SA / %mom_SA</i>		0.9	-0.3	-1.2	2.7	-1.0		1.2	-2.5	
Imports of Consumer Goods (%yoy)	2.2	10.8	2.0	1.5	-4.4	3.6	3.4	-1.4	8.4	3.6
<i>%qoq_SA / %mom_SA</i>		0.0	-3.8	0.0	-1.1	7.8		-17.1	4.5	
Passenger Car Sales (%yoy)	-19.1	-12.5	-27.3	-24.9	-11.7	-26.6	-1.9	-11.9	8.3	-17.4
<i>%qoq_SA / %mom_SA</i>		-4.4	-13.6	-5.5	12.2	-17.5		6.3	13.6	
Motorcycle Sales (%yoy)	-0.2	10.9	-2.9	-10.6	2.3	-3.3	9.8	2.9	14.8	1.2
<i>%qoq_SA / %mom_SA</i>		9.7	-12.2	-2.3	8.7	3.6		-15.8	21.5	
Farmers' real incomes (calculated by FPO)	-9.6	-3.6	-12.6	-4.5	15.9	-15.1	3.2	1.6	4.7	-6.5
Consumer Confidence Index	64.7	68.4	64.9	61.8	63.6	64.0	61.3	61.5	61.1	62.6

**2. Private investment in May 2016 remained stable in overview even it showed better improvement in equipment and machinery sector** as reflected by commercial car sales continued to expand by 26.5 percent per year and expand by 13.8 percent per month after seasonal adjustment. Meanwhile, **the imports of capital goods** contracted by -5.4 percent per year but expanded by 1.0 percent per month. The imports of capital goods excluding special items (airplanes, ships, trains) contracted by -2.5 percent per year but expanded by 0.4 percent per month after seasonal adjustment. **Investment in construction sector** as reflected **by real estate tax collection** in May 2016 contracted by -19.1 percent per year. In addition, **cement sales** contracted by -1.1 percent per year but expanded by 0.3 percent per month after seasonal adjustment. **Construction Materials Price Index (CMI)** in May 2016 showed slower contraction of -1.5 percent per year as price index in wood and wood products decreased due to lower favoring and changing to use aluminum as substitutable product.

Private Investment Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/ Q2	Apr	May	YTD
<u>Construction sector</u>										
Real estate tax collection (%yoy)	8.7	7.3	2.9	-0.5	22.2	6.2	20.9	58.8	-19.1	11.9
%qoq_SA / %mom_SA		-1.7	-4.6	4.0	24.3	-13.5		44.4	-55.7	
Cement sales (%yoy)	-0.4	-2.5	-0.2	-0.7	2.1	3.1	-0.6	0.1	-1.1	1.7
%qoq_SA / %mom_SA		0.7	1.7	-1.5	1.2	1.8		-4.1	0.3	-
Construction Materials Price Index (CMI)	-4.9	-3.7	-4.4	-5.7	-6.6	-3.9	-2.1	-2.6	-1.5	
<u>Machinery sector</u>										
Commercial car sales (%yoy)	-2.6	-11.3	-17.3	-0.3	17.2	4.0	19.5	12.1	26.5	9.4
%qoq_SA / %mom_SA		-5.2	-6.4	15.6	13.3	-10.7		-8.1	13.8	
Imports of capital goods (%yoy)	-2.2	0.9	2.0	-10.8	0.2	-1.0	-9.5	-13.4	-5.4	-4.4
%qoq_SA / %mom_SA		1.3	-0.6	-5.3	4.9	0.5		-8.5	1.0	
Imports of capital goods (exclude aircraft, ship, and train) (%yoy)	-1.4	0.1	-3.6	-2.3	0.1	0.0	-4.9	-7.2	-2.5	-1.9
%qoq_SA / %mom_SA		-0.7	-2.1	0.8	2.0	-0.5		-7.6	0.4	

**3. Fiscal indicators in May 2016 reflected fiscal policies to continue supporting the Thai economy particularly government expenditures in accelerating investments which showed high expansion.** Total government expenditure was disbursed 189.4 billion baht or expanded by 7.1 percent per year. The annual budgetary expenditure was disbursed 176.5 billion baht or expanded by 7.6 percent per year which was supported by capital expenditure of 36.9 billion baht or expanding by 51.0 percent per year. **Net government revenue collection (net**

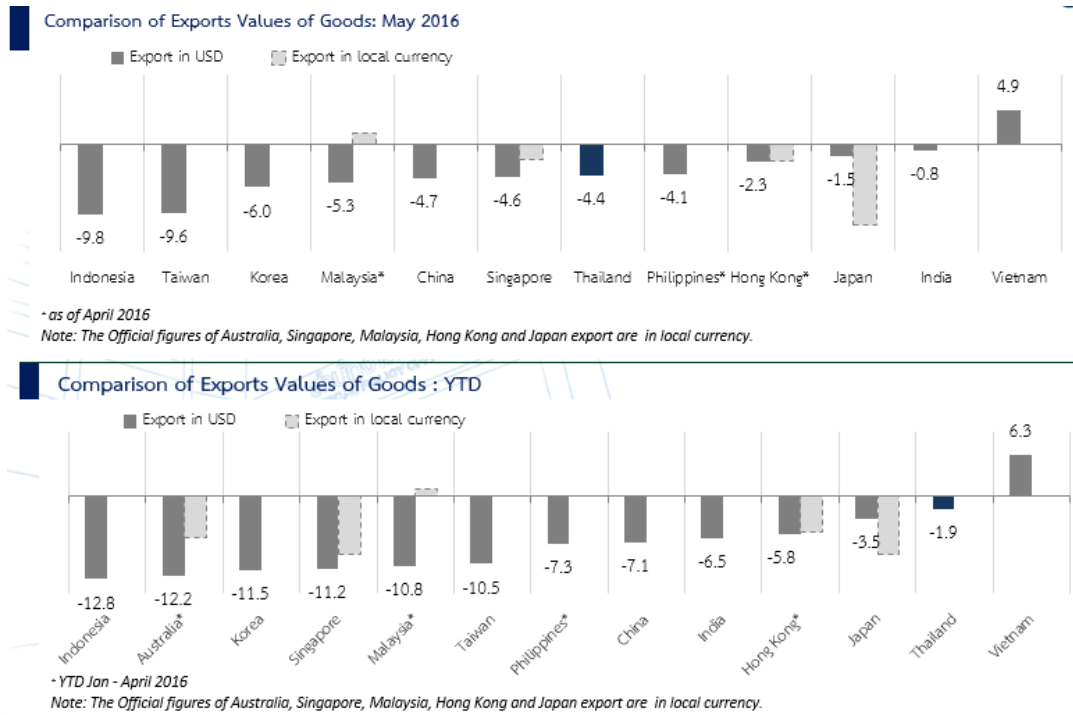
**of local authorities' allocation)** was amounted at 307.8 billion baht or expanded by 37.1 percent per year. As a result, the budget balance showed the surplus of 13.6 billion baht.

Fiscal Sector Indicators (Billion Baht)	FY2015	FY2015				FY2016				
		Q1/ FY15	Q2/ FY15	Q3/ FY15	Q4/ FY15	Q1/ FY16	Q2/ FY16	Apr	May	FYTD
Net Government Revenue (net of local authorities' allocation)	2,207.5	507.5	469.9	652.5	577.5	585.9	492.5	170.3	307.8	1,556.4
(%y-o-y)	6.4	0.8	7.5	7.2	9.9	15.5	4.8	-0.5	37.1	13.4
Total government expenditure	2,601.4	844.1	617.6	569.6	570.1	890.9	680.0	223.6	189.4	1,983.9
(%y-o-y)	5.7	1.6	11.7	10.7	1.6	5.5	10.1	16.8	7.1	8.4
Annual budgetary expenditure	2,378.1	766.4	557.7	529.4	524.6	807.7	604.2	211.5	176.5	1,799.8
(%y-o-y)	5.9	0.7	15.6	11.1	-0.3	5.4	8.3	18.2	7.6	8.0
Current expenditure	2,106.6	725.1	481.0	452.3	448.1	739.6	509.0	186.3	139.6	1,574.5
(%y-o-y)	7.4	12.5	7.3	8.1	-0.7	2.0	5.8	19.3	0.0	4.8
Capital expenditure	271.6	41.3	76.7	77.1	76.4	68.1	95.1	25.2	36.9	225.3
(%y-o-y)	-4.4	-64.6	123.2	32.4	2.1	64.9	24.0	10.6	51.0	36.4
Budget Balance	-402.3	-347.3	-138.9	89.4	-5.5	-293.5	-199.4	-41.0	13.6	-520.3

**4. External demand as reflected by exports showed a contraction for 2 months consecutively.** In May 2106, export values were amounted at 17.6 billion USD or contracted by -4.4 percent per year as Thai exports experienced volatility in global trade slow down which affected on purchasing power and imports. In addition, agricultural and oil prices still contracted. Export goods showing contraction comprised fuel, electronics, and agricultural products. However, export commodities showing expansion comprised gold, vehicles, and gem and jewellery. In general, most of exporting markets showed contraction particularly ASEAN-5, China, and Japan. Export markets showing expansion were U.S.A., Australia, Indochina-4 (CLMV), and Middle East. **Import values** in May 2016 were amounted at 16.1 billion USD or expanded by 0.5 percent per year. As such the greater export values compared to that of imports resulted in the trade surplus in May 2016 of 1.5 billion USD.

Main trading partners (16 countries) (Export share 2014 >> 15 )	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/Q2	Apr	May	YTD
Exports to the world (%yoy)	-5.8	-4.7	-5.0	-5.3	-8.1	0.9	-6.1	-8.0	-4.4	-1.9
1.USA (10.5% >> 11.2%)	0.7	5.6	2.6	0.2	-4.9	-3.2	-1.5	-6.7	3.4	-2.5
2.China (11.0% >> 11.1%)	-5.4	-14.4	1.2	-1.0	-6.3	-6.4	-9.5	-5.9	-12.7	-7.7
3.Japan (9.6% >> 9.4%)	-7.7	-9.2	-3.9	-8.2	-9.6	5.7	-9.4	-10.3	-8.6	-0.3
4.EU (9.2% >> 9.3%)	-5.7	-3.9	-8.4	-4.4	-5.9	-0.5	-1.9	-1.1	-2.7	-1.1
5.Malaysia (5.6% >> 4.8%)	-20.2	-14.7	-18.3	-18.7	-28.5	-4.1	-12.9	-9.1	-16.1	-7.7
6.Hong Kong (5.6% >> 5.5%)	-6.2	-11.5	-9.0	-2.0	-1.9	0.6	-14.6	-14.2	-14.9	-5.0
7.Middle East (5.1% >> 4.8%)	-10.0	-6.4	-23.7	-6.4	-3.0	-9.5	-3.3	-10.3	4.2	-7.4
8.Australia (4.8% >> 5.3%)	5.3	10.1	7.6	8.4	-3.5	5.5	-5.9	-19.6	7.0	0.9
9.Singapore (4.6% >> 4.1%)	-16.2	-5.4	0.3	-26.1	-31.0	22.5	-24.8	-22.9	-26.3	2.1
10.Indonesia (4.2% >> 3.7%)	-17.6	-15.4	-20.6	-21.0	-12.7	8.9	-3.0	5.7	-10.6	4.1
11.Africa (3.7% >> 3.2%)	-20.2	-14.5	-15.9	-22.1	-27.9	-11.7	-15.1	-23.7	-6.1	-13.1
12.Vietnam (3.5% >> 4.2%)	13.0	17.7	16.7	8.3	10.9	3.1	3.7	2.1	5.1	3.3
13.Philippines (2.6% >> 2.8%)	2.1	7.4	-3.4	-6.4	10.8	15.4	9.6	17.8	2.6	13.2
14.India (2.5% >> 2.5%)	-5.7	6.1	-4.8	-11.5	-11.8	-9.1	-3.7	-7.3	0.0	-6.9
15.South Korea (2.0% >> 1.9%)	-9.2	0.6	-16.4	-10.7	-8.6	-9.7	-10.3	-13.6	-7.1	-10.0
16.Taiwan (1.8% >> 1.6%)	-12.0	4.7	-11.5	-15.3	-23.1	-18.1	-2.3	-2.7	-1.8	-12.0
PS.ASEAN-9 (26.1% >> 25.7%)	-7.2	-2.5	-5.9	-10.6	-9.3	3.9	-6.9	-4.8	-8.8	-0.5
PS.ASEAN-5 (17.0% >> 15.3%)	-15.1	-9.5	-11.8	-19.5	-19.1	9.1	-10.2	-4.7	-14.7	1.2
PS.CLMV (9.1% >> 10.4%)	7.7	10.5	5.5	7.2	7.9	-4.0	-1.8	-5.0	1.0	-3.1

However, to compare the Thai export values with that of other countries in region, it was found that export values of other countries contracted as well. In addition, to compare with the first 5 months of 2016, Thai export values contracted by -1.9 percent per year which was less than that of other countries in region.



**5. Supply side indicators continually expanded from tourism sector** as reflected by **the number of inbound foreign tourists in May 2016 which was recorded at 2.48 million persons** or expanded by 7.6 percent per year and increased by 0.1 percent per month after seasonal adjustment due to expansion of tourists mainly from China, including India, Russia, and neighboring countries such as Cambodia, Lao, and Myanmar which expanded by 10.5, 16.7, 35.0, and 20.7 percent per year, respectively. Consequently, in the first 5 months the number of inbound foreign tourists was amounted at 14.16 million persons or expanded by 12.9 percent per year and this generated income to tourism around 603 billion baht or expanded by 17.8 percent per year. Meanwhile, the **Agricultural Production Index (API)** turned to increase by 0.3 percent per year and expanded by 2.2 percent per month after seasonal adjustment due to an expansion in major agricultural products such as cassava, corn, and fruits, and also expansion in livestock products as a result of no epidemic dispersion and demand increasing. **Thai Industries Sentiment Index (TISI)** in May 2016 was at 86.4 points improving from last month as a positive sentiment from drought alleviation which benefited to agro-industry products. In addition, the opening season of schools in May increased purchasing orders and sales in commodities relevant to education. Also, policies to promoter and enhance potential industries had the important role in creating value added to industries particularly in processed food industries, agriculture and biotechnology, vehicles, medical supplies and equipment, and electronics.

Supply Side Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/Q2	Apr	May	YTD
Agricultural Production Index (%yoy)	-4.6	2.0	-11.9	-11.9	-0.6	-5.8	-0.9	-2.4	0.3	-4.2
%qoq_SA / %mom_SA		5.0	-14.2	2.7	7.2	-0.3		1.6	2.2	-
Thai Industries Sentiment Index (TISI) (percent)	85.8	89.2	85.2	82.7	86.0	86.0	85.7	85.0	86.4	85.9
Manufacturing Production Index (preliminary) (%yoy)	0.3	0.4	-0.3	0.9	0.3	-1.1	1.5*	1.5	n.a.	-1.1
%qoq_SA / %mom_SA		0.3	-2.0	1.1	0.9	-1.1		0.0	n.a.	
Number of Inbound Tourists (%yoy)	20.4	22.8	36.9	24.9	3.7	15.5	8.7	9.8	7.6	12.9
%qoq_SA / %mom_SA		2.6	8.2	-1.9	-5.0	14.8		-0.2	0.1	

\*As of 1M/Q2

**6. Internal stabilities remained favourable and external stabilities remained robust.** **Headline inflation** in May 2016 was 0.5 percent per year, expanded to a positive number in second consecutive month as a consequence of increasing prices of fresh foods particularly meats, fruits and vegetables due to the drought effect. In addition, a rapid increase in crude oil's prices accelerated inflation to increase from April. **Core inflation** was 0.8 percent per year stable from previous month. Meanwhile, **unemployment rate** in May 2016 was 1.2 percent of total labor force or equivalent to 450,000 unemployed persons. **Public debt to GDP** at the end of April 2016 stood at 44.1 percent of GDP below the Fiscal Sustainability Framework of 60 percent of GDP. **External economic stability** remained robust reflecting the resilient ability to risk from the volatilities in global economy as **the international reserves** at the end of May 2016 were high at 175.5 billion USD, or approximately 3.4 times of short-term external debt.

Macroeconomic Stability Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/Q2	Apr	May	YTD
<b>Internal Stability</b>										
Headline Inflation (%yoy)	-0.9	-0.5	-1.1	-1.1	-0.9	-0.5	0.3	0.1	0.5	-0.2
Core Inflation (%yoy)	1.1	1.5	1.0	0.9	0.8	0.7	0.8	0.8	0.8	0.7
Unemployment rate (% of total labor force)	0.9	1.0	0.9	0.9	0.8	0.9	1.1	1.0	1.2	1.0
Public debt (% of GDP)	44.4	43.3	42.7	43.1	44.4	44.1	44.1	44.1	n.a.	44.1
<b>External Stability</b>										
Current Account Balance (Billion USD)	31.6	8.4	6.1	6.9	10.2	16.4	3.2*	3.2	n.a.	19.5



Macroeconomic Stability Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	2M/Q2	Apr	May	YTD
International Reserves (Billion USD)	156.5	156.3	160.3	155.5	156.5	175.1	175.5	178.6	175.5	175.5
Net Forward (Billion USD)	11.7	19.6	18.4	13.3	11.7	13.9	15.6	14.6	15.6	15.6
International reserves to short term external debt (times)	3.0	3.0	2.9	2.9	3.1	3.2	3.4*	3.4	n.a.	3.4

\*As of April 2016

The financial and fiscal measures that the Ministry of Finance has carried forward government policy and launched in September 2015 onwards would help support the economic growth of Thailand in previous year and 2016. The progress of measures until as of 27 June 2016 was summarized as follows:

**1. Project to strengthen the grass-root economy under People's State approach** through 79,556 village and urban community funds under the 35-billion-baht budget in which each village fund would be allocated budget up to 500,000 baht via the National Village and Urban Community Fund Office for investing in community infrastructure such as rice warehouse and mill, water reservoirs, and agricultural processing machines. The allocation would be also spent on various activities to enhance local workers' potential and upgrade the quality of life of residents. As of current status, Committee of the National Village and Urban Community Fund had issued criteria for eligible projects and had approved projects for 54,626 funds worth 27,229 million baht.

**2. Project to enhance villages' potential and strengthen grass-root economy under People's State approach.** The objective of this project is to support funding to village funds in which each village would be funded up to 200,000 within the budget framework of 15,000 million baht. The cabinet approved in principle of the project on 5 April 2016 where the Interior Ministry is the main authority to operate the project. Currently (as of 8 June 2016), 85,468 approved projects worth 14,907 million baht were transferred to villages.

**3. Relief measures for drought-affected farmers and agricultural competitiveness enhancement.**

**3.1 Relief measure for drought-affected farmers: implementation of policy loan as contingency fund (The credit line of 6,000 million baht).** Loan period is for 1 year with 0 percent interest rate for the first six months, and increase to 4 percent for the remaining six months (month 7-12). As of 15 June 2016, approved loans were amounted to 1,351 million baht to 125,282 farmers.

**3.2 "One Tambon One Agricultural SME" policy loans to promote sustainability of Thai agricultural sector (The credit line of 72,000 million baht).** Loan period is for 10 years with interest rate of 4 percent for the first seven years and apply to normal interest rate for the remaining three years (Year 8 – 10). As of 15 June 2016, loans were disbursed at 9,529 million baht to 7,572 agricultural SMEs.

**3.3 Community Project for modal change of production (The credit line of 15,000 million baht).** Loan period is for 1 year with the interest rate of 0.01 percent. As of 15 June 2016, approved loans were amounted to 6.5 million baht to 165 loan applicants.

#### **4. Short-term financial and fiscal measures to encourage SMEs competitiveness enhancement.**

**4.1 Project of loan guarantee for PGS-5 (revised) (Credit 30 percent per port would be guaranteed by the Thai Credit Guarantee Corporation (TCG) with the limit of 100,000 million baht).** TCG guaranteed loans of 77,281 million Baht to 19,164 SMEs entrepreneurs.

**4.2 Measure to encourage SMEs through Venture Capital** (The budget of 6,000 million baht). The Government Savings Bank approved venture capital to 2 SMEs entrepreneurs worth 20 million baht and SME Bank approved in principle for venture capital to 6 SME entrepreneurs worth 60 million baht and 3 SME entrepreneurs are undertaking on Due Diligence process worth 20 million Baht.

**4.3 Project of Policy Loan (The credit line of 15,000 million baht).** As of current status, SME Bank approved loan worth 11,173 million baht to 3,760 SMEs and the Thai Credit Guarantee Corporation (TCG) guaranteed loans worth 10,330 million baht to 3,612 SMEs.

**4.4 Micro Entrepreneurs Guarantee Scheme Phase 2** (Guarantee budget framework of 13,500 million baht). Each micro entrepreneur could receive loan guarantee up to 200,000 baht. The guarantee would cover a loss/damage of 30-50 percent with an application period until the 30<sup>th</sup> of December 2017. The Thai Credit Guarantee Corporation (TCG) guaranteed an amount of 343 million baht for 3,034 Micro Entrepreneurs.

**5. Financial and fiscal measures to stimulate real estate sector.** The goals are to boost real estate sector and to help low-income earners buy houses and be homeowner.

**5.1 Loan measure for low-and medium-income earners,** the Government Housing Bank has received the applications since 19 October 2015. Lately, the Government Housing Bank approved loan to 15,801 applicants worth 21,897 million Baht.

**5.2 Soft loans for lower-income first-home buyers under People's State approach.** The objectives are to help low-income people including government servants, soldiers, policemen, and academic personnel and people with uncertain salary or freelance who have never been homeowner and this measure covers housing repair and enlargement through relaxed home loans from state-

owned banks. The most updated data showed that the Government Housing Bank approved loans as Post Finance to 3,855 loan applicants worth 3,429 million baht and the Government Savings Bank approved loans as Pre Finance to 2 loan applicants worth 65 million baht, and approved loans as Post Finance to 2,589 loan applicants worth 3,094 million baht.

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