

Monthly Fiscal Report

(October - January 2016)

Revenue

- **In January 2016**, government collected revenue at 156,392 million Baht, lower than the target by 14,591 million Baht or 8.5 percent. Revenue collection from the three tax collection agencies (Revenue Department, Excise Department, and Customs Department) was lower than the target by 9,706 million Baht or 5.2. Particularly, Value Added Tax from domestic consumption, Remittance of State Own Enterprises, and import duty revenues were lower than the targets by 2,099 3,905 and 1,193 million Baht or 4.8 53.6 and 12.0 percent respectively. However, Personal Income Tax was above than the target by 1,615 million Baht or 4.7 percent.
- **During the first 4 month of fiscal year 2016 (October 2015 – January 2016)**, government revenue collection amounted to 742,070 million Baht above the target by 54,323 million Baht or 7.9 percent, mainly result from other government agencies' revenue collection that was above the target by 57,246 million Baht or 100.3 percent. Whereas, Tax collection by three departments (Revenue, Excise and Customs Departments) and Remittance of State Own Enterprises' revenue were lower than the target by 14,004 and 653 million Baht or 2.0 and 1.8 percent respectively.

Expenditure

- **In January 2016**, government budget was disbursed at 259,906 million Baht. The disbursement comprises current year expenditure of 240,962 million Baht (current expenditure of 220,839 million Baht and capital expenditure of 20,123 million Baht) and carry-over expenditure of 18,944 million Baht.
- **During the first 4 month of fiscal year 2016 (October 2015 – January 2016)**, the government expenditure was disbursed at 1,150,828 million Baht. The disbursement comprises current year expenditure of 1,048,631 million Baht or 38.6 percent of total budget (current expenditure of 960,447 million Baht and capital expenditure of 88,184 million Baht) and carry-over expenditure of 102,197 million Baht.
- After included disbursement of investment under Thai Kem-Kang 2012 Project (TKK 2012) of 774 million Baht, loans under Water Resource Management Decree of 235 million Baht, Water Management and Road Construction Urgent Projects of 30,413 million Baht and foreign loans of 811 million Baht and, **the total government spending was 1,183,061 million Baht.**

Fiscal Balance

- **Government Fiscal Balance under Cash Basis:** During the first 4 month of fiscal year 2016 (October 2015 – January 2016), the government revenue was 733,994 million Baht while government budget disbursement was 1,150,828 million Baht. As a result, the budgetary balance was in a deficit of 416,834 million Baht. After accounted for a deficit in the non-budgetary balance of 51,043 million Baht, the overall government cash balance was in a deficit of 467,877 million Baht.
- **The treasury reserve** at the end of January 2016 was at 247,549 million Baht.
- **Government Fiscal Balance under Government Finance Statistics (GFS) Basis:** During the first 4 month of fiscal year 2016 (October 2015 – January 2016), government revenue was 799,566 million Baht, while expenditure amounted to 1,142,747 million Baht, resulting in a budgetary deficit of 343,181 million Baht. After including a deficit from extra-budgetary funds' operation of 95,898 million Baht and taking into account the expenditure from Management and Road Construction Urgent Projects, investment under TTK 2012, the expenditure from Development Policy Loan (DPL), Water Resource Management Decree and foreign loans of 30,413, 774, 742, 235 and 69 million Baht respectively, the total government fiscal balance was in a deficit of 279,517 million Baht.

Local Administrative Organization (LAO) Fiscal Balance

- During the first quarter of fiscal year 2016 (October – December 2015), Local Administrative Organization (LAO)'s total revenue was 170,612 million Baht (LAO own collection revenue of 6,935 million Baht, government tax sharing of 70,083 million Baht, and government grant of 93,594 million Baht). With an estimated LAO's expenditure disbursement at 150,363 million Baht¹, LAO's fiscal balance was in a surplus of 20,249 million Baht.

Public Debt

- At the end of December 2015, the outstanding public debt stood at 6,005,125 million Baht or 44.6 percent of GDP. Domestic public debt accounted for 94.2 percent while 5.8 percent was in foreign debt. By instrument, the debt comprises long-term debt of 94.3 percent and short-term debt 5.7 percent. By maturity date, the debt comprises a long-term debt of 85.0 percent and a short-term debt of 15.0 percent.

Fiscal Sustainability (60 – 15 – 0 – 25)

¹ The calculation of LAO expenditure was based on the banking system's net claim on local government collected by the Bank of Thailand and the LAO's deposit account in the treasury.

- Ministry of Finance has set up a fiscal sustainability framework which comprises
(1) Outstanding public debt to GDP not more than 60 percent (2) Total debt service to government budget not exceed 15 percent (3) Medium-term budgetary balance and
(4) Capital expenditure to government budget at least 25 percent.
 - Medium Term Fiscal Sustainability Framework (Fiscal Year 2016-2020) :
 - **Public debt to GDP ratio** is estimated at 45.5 percent of GDP by the end of fiscal year 2016 and expected to increase to 51.4 percent of GDP by the end of fiscal year 2020.
 - **Debt service to government budget ratio** is anticipated at 7.4 percent in fiscal year 2016 and expected to increase to 11.6 percent in fiscal year 2020.
 - **Budget deficit reduction** from 400 billion Baht in fiscal year 2012 to 250 billion Baht in fiscal year 2016. Nevertheless, in order to continue the effect of global economic slowdown, government has decided to pursue the budget deficit policy until economic situation has been recovered. After that, the balance budget policy will be adopted.
 - **Capital expenditure to government budget ratio** is estimated at 17.9 percent on average during fiscal year 2016-2020, which is lower than the framework. This result from high current expenditure due to the increasing loan repayment and the “undo” government pension fund measure since the beginning of fiscal year 2016. Nevertheless, government also invested in infrastructure projects through Public Private Partnership (PPP) during 2017 to 2019 and has set up Thailand Future Fund to help reduce fiscal burden, which will raise capital expenditure towards a fiscal sustainability framework.
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