Emerging Stronger Together

Darmp Sukontasap

9 April 2021
OUTLINE

• New Paradigms since COVID-19
• Global Economic Outlook and Factors to Watch
• Impact of COVID-19 on SDGs
• Thailand’s Economic Perspective
• Strengthening Asia-Europe Partnership
• Towards a More Resilient and More Connected Asia-Europe
New Global Paradigms since Covid-19
COVID-19 is an accelerator to shift and change global contexts in various dimensions.
Global Economic Outlook & What to Watch For
Global Economy is facing divergent recoveries among countries, depending on various factors.
What to Watch For …

**Vaccine Effectiveness**
- Vaccine Rollout: Inequality among countries
- COVID-19 Mutation esp. in Europe

**The Impacts of Monetary Policy Tightening**
- Liquidity Rollback Shock: QE Tapering
- Exchange Rate Volatility: Fragile Countries
- The Rises of Financial Cost: Bond Yield↑

**Conflict between the US and China**
- Trade War: Existing but Changing Strategies
- Tech War: Security Concern
- Proxy War: North Korea, Iran

**Asset Bubble**
- Cryptocurrencies: Bitcoin hit record high over $60,000 per 1 Bitcoin in March 2021
- Tech Stocks: Some are far over fair value

**Rising Global Debt**
- Global debt-to-GDP ratio surged by 35 percentage to over 355% of GDP in 2020 and counting
- Increasing poverty and income gap
- Social Displacement

**Production Cost Increase & Shortage**
- Agricultural and Commodity Price Increases
- Semiconductor Shortage
- Container Shortage
Impact of COVID-19 on Sustainable Development Goals (SDGs)
COVID-19 poses a direct threat to Sustainable Development Goals (SDGs)

U.N. member states (193 countries) have set to achieve SDGs goals (17 ambitious objectives) by 2030

**Quantitative Negative Effects**

- Economic crisis will severely hit hard on jobs, personal income, disparities, debts, healthcare supply chain, and other economic activities

**Qualitative Negative Effects**

- It also indirectly affects sociological dimensions like education, gender, social security, due to fact that resources might be reallocated to the immediate priority sectors

**Indirect Positive Effects**

- Lockdown and restriction on worldwide economic activities make “temporary improvements” to these related goals

**Cooperation needed**

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<th>Government</th>
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<th>Businesses</th>
<th>Consumers</th>
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<td>Zero Corruption</td>
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**Social/Environmental/Health Concerns**

- **Zero Corruption**
- **Good Governance**
- **Green Credit**
- **Green Bond**
- **Green Product**
- **CSR**
- **Social/Environmental/Health Concerns**
Thailand’s Economic Perspective
Good News: Thai Economy is getting back on track

- **Pre-COVID**
  - 2017-2019: 2.3%
  - 2020: -6.1%

- **Post-COVID**
  - 2021: 3.0%

- **Government's Target**: 4.0%
- **Avg. Public Research Houses**: ≈ 1.1
- **Avg. Private Research Houses**: 2.5%

**Positive Momentum of Thai Export**
- Fast economic recovery of major trading partners, esp. China and the US
- The rise in commodity prices
- Continuing global demand related to WFH and medical

**Government Stimulus Packages and Accommodative Monetary Policies**
- Targeted government stimulus measures to support private consumption and relieve financial burden
- Specific financial aids e.g. soft loan, credit insurance, asset warehousing, debt restructuring

**Disbursements of Public Consumption and Investment**
- The acceleration of budget disbursement under the post-COVID economic recovery plan and infrastructure projects, esp. EEC
Bad News: The economy is recovering at slower pace than peers due to high downside risks

- The delay of vaccine rollout in Thailand
- Liquidity Inadequacy in travel and related businesses
- Tourism Authority of Thailand forecasted the tourism sector will be recovered to pre-COVID-19 level in 2026

The Delay of Tourism Sector Recovery

- Thai household debt is around 86.6% of GDP (as of Q3/2020), the highest ratio in 18 years.
- Stagnant private consumption without government stimulus packages

Buoyed Household Debt

- High Competition for FDI attraction
- Domestic Market Maturity
- Political Uncertainty

Sluggish Private Investment
Strengthening Asia-Europe Partnership
The Future of Asia and Europe is encouraging after some headwinds have subsided.

**Together is Greater**

1. **GDP**
   - 50% of World's GDP

2. **Population**
   - 60% of World's Population

3. **FDI Flow**
   - 60% of World's FDI

4. **Trade**
   - 70% of World's Trade

**Asia with Europe**

- 60% of Total Thai Export to ASEM
- 63% Of TDI to ASEM
- 75% Of FDI from ASEM

**Thailand with ASEM**

- 60% Of World's GDP
- 60% of World's Population

**Source:** Asia Europe Economic Forum, Ministry of Commerce and Bank of Thailand
Towards a More Resilient and More Connected Asia-Europe
Reconnecting Asia and Europe with Travel & Tourism

Number of Tourist Arrivals

Asia

Europe

Thailand’s total Receipt from International arrivals

2010
2019

9.9 (Mil.)
30.7 (Mil.)

Growth 210% (13% per annum)

9.9 No. of Tourists
30.7 No. of Tourists

2010
2019

4.4 (Mil.)
6.7 (Mil.)

Growth 51% (5% per annum)

4.4 No. of Tourists
6.7 No. of Tourists

Eur 34.7 BN (68% of total receipt)
Eur 50.7 BN (2019)
Eur 12 BN (24% of total receipt)

89.3 Mil. (2019) No. of Tourists

Source: UNWTO, PATA, Thailand’s National Statistical Office, excluding Middle East
Thank you!