



Public Debt Outstanding Report as of July 31, 2018

Public Debt to GDP as of July 31, 2018 was at 40.88% of GDP. It remains within the Fiscal Responsibility Act which is set at below 60% of GDP. The Government borrowed to boost the economy and lay the foundations for long-term economic growth, which included the disbursement for public infrastructure investment projects, such as, Mass Transit Development Projects in Bangkok Metropolitan area and Double-track Railway Projects in various provinces in the country. On the other hand, the debts were repaid continuously so as to promote fiscal responsibility. The repayments were mainly from the government prepayment for domestic debt (10,383 million Baht), which reduced the debt outstanding and lowered interest burden by approximately 260 million Baht.

At the end of July 2018, the foreign currency debt outstanding was at 3.91% of total Public Debt outstanding. Such low foreign currency debt level helps to limit risks from unexpected events and foreign exchange volatility.

Mr. Poomsak Aranyakasemsuk, Director-General, reported that Thailand's public debt outstanding as of July 31, 2018 was at 6,557,290.60 million Baht (40.88% of GDP). The total public debt outstanding comprised 5,251,290.17 million Baht of Government debt, 922,047.84 million Baht of State-Owned Enterprises (SOEs) debt, 375,133.92 million Baht of Government Guaranteed Financial SOEs debt* and 8,818.67 million Baht of Other Government Agencies debt.

❖ **Government debt** outstanding was at 5,251,290.17 million Baht. The detail of change in government debt as the followings:

- *Financing under the Annual Budget Expenditure Act B.E. 2561 (A.D. 2018)* increased by 23,200 million Baht. This increase was mainly for the country development, economic stability and sustainability.

- *The repayment of Budget Deficit Financing and Debt Management* were made in an amount of 10,383 million Baht.

* Financial SOEs Debt means a debt of a State enterprise which conducts money lending business, asset management business or credit insurance business.

- *Debt repayment under the Stimulus Package NO. 2 (TKK) Loan* were made in an amount of 1,381 million Baht.

- *Domestic debt to finance infrastructure investment* increased by 2,205.79 million Baht which resulted from (1) an increase in On-lending debt by 1,205.10 million Baht to the Mass Rapid Transit Authority of Thailand for the Orange Line, Green Line and Blue Line projects (2) an increase in On-lending debt by 945.12 million Baht to the State Railway of Thailand for Double-track Jira Road - Khonkaen Project, Double-track Chachoengsao - Klong 19 - Kaeng Koi Project, Red Line Mass Transit System Project, Double-track Lopburi - Paknampho Project, Double-track Nakornpathom - Chumphon Project and Double-track Map Kabao - Jira Road Project and (3) an increase in On-lending debt by 55.57 million Baht to the National Housing Authority for the Phase G Residential Building and Facilities for Dindaeng Urban Renewal Project. After projects completion, the projects would significantly bring about social and economic returns as follows;

The Economic Internal Rate of Return (EIRR) on the State Railway of Thailand infrastructure projects is about 15.72% of projects investment amount. The projects will enhance efficiency in rail transport, shorten travel time, spread prosperity to the regions, and reduce road accidents. It will be the alternative travel choice for people as well.

The Economic Internal Rate of Return (EIRR) on the Mass Rapid Transit Authority of Thailand infrastructure projects is about 15.13% of projects investment amount. It will save on fuel costs, shorten the travel time, as well as reduce road accidents and air pollution.

- *External debt* increased by 1,233.83 million Baht mainly due to the disbursement and foreign exchange risk management. The change was also due to principal repayment and changes in foreign exchange rates.

❖ **State-Owned Enterprises debt** was at 922,047.84 million Baht. This change was mainly contributed from the followings:

- Government Guaranteed debt decreased by 28.15 million Baht. This was mainly from the Airports of Thailand Public Co., Ltd.

- Non-Government Guaranteed debt increased by 3,131.22 million Baht. This was mainly from the Provincial Electricity Authority.

❖ **Financial State-Owned Enterprises debt (Government Guaranteed)** was at 375,133.92 million Baht, decreasing by 1,270.85 million Baht due to the principal repayment of the Bank for Agriculture and Agricultural Co-operatives.

❖ **Government Agencies debt** was at 8,818.67 million Baht, decreasing by 19.34 million Baht mainly from the Office of the Government Pawnshop.

Public debt outstanding as of July 31, 2018 was at 6,557,290.60 million Baht, of which, 6,300,573.04 million Baht was domestic debt (96.09% of total public debt), and 256,717.56 million Baht (approximately 7,719.46 million USD) was external debt (3.91% of total public debt).

Classified by remaining maturity, long-term debt outstanding was 5,672,526.27 million Baht (86.51% of total public debt) and short-term debt outstanding was 884,764.33 million Baht (13.49% of total public debt).

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