

Information on the Royal Thai Government's Economic Stimulus Package

(compiled from information on Government House's website and news reports)

On 13 January 2009, the Thai Cabinet approved the framework for economic stimulus plan, as agreed upon by the Committee of Economic Ministers on 7 January. It also approved the allocation plan for the 115 billion baht (US\$ 3.3 billion) mid-year budget of the 2009 fiscal year with the aim of **reinvigorating the Thai economy with the most effective and direct impact as well as quick results.**

The Government's economic stimulus plan is a package comprising three sets of **measures to bring money directly into the hands of the people** – ranging from farmers, workers outside the agricultural sector, parents, low-income and regular salary earners and senior citizens to businesses – **in order to boost domestic consumption which will in turn help boost the manufacturing, agriculture and other businesses.** The package include measures to **increase people's income** (i.e. one-time payment of 2,000 baht for people in low income groups (with salaries less than 14,000 baht per month) including government officials, state enterprises' employees and private sector employees under the Social Security Fund), measures to **alleviate senior citizens' cost of living** (including provision of additional monthly sustenance allowance), and measures to **reduce people's daily expenses** (such as extension of a subsidy programme of free water and electricity for small households, free bus and train rides for commuters, the 15 year free education programme, and reduction of other expenses associated with education such as uniforms, textbooks).

In addition, the Government will implement **specific programmes to address the unemployment problem** which will cover those at risk of being laid off, those unemployed and newly graduates coming into the labour market. Other programmes include **support for the production sector** (including tax measures to stimulate the construction and real estate sector, and measures to increase credits for businesses particular export and tourism sectors), **agricultural sector** (including price stabilization for agricultural produce) and **tourism sector** (including implementation of an integrated plan to restore confidence in targeted foreign countries).

In line with the economic stimulus package and the Government's policy, the Government also approved **the allocation of its mid-year budget totalling 115 billion baht for 16 programmes / projects to restore and enhance economic confidence and to general people's income and improve quality of life and social security**, as well as for reserve for emergency expenses and for covering treasury account withdrawals.

Programme / Project	Budget (million baht) (approx USD)	Target Group
1. Plan on restoration and enhancement of economic confidence		
1.1 Alleviation of the cost of living of people and civil servants	18,970.4 (US\$ 545.1 m)	Low-income employees / people relying on salaries

Programme / Project	Budget (million baht) (approx USD)	Target Group
1.2 Extension of five-measures-for-six-months programme to reduce people's cost of living	11,409.2 (US\$ 327.8 m)	People in low-income groups
1.3 Water supply development for farmers	2,000.0 (US\$ 57.5 m)	Farmers
1.4 Local road construction in villages	1,500.0 (US\$ 43.1 m)	People / communities
1.5 Commercial project to help the public (e.g. cheap goods markets)	1,000.0 (US\$ 28.7 m)	People in low-income groups
1.6 Tourism promotion	1000.0 (US\$ 28.7 m)	Tourism and other related industries
1.7 Development of small reservoirs for water management	760.0 (US\$ 21.8 m)	Farmers
1.8 Promotion and support for food industry and SMEs	500.0 (US\$14.4 m)	Private sector
1.9 Restoration of confidence and promotion of national image abroad	325.0 (US \$ 9.3 m)	Overall restoration of confidence and revitalization of the economy
2. Plan on income generation and improvement of quality of life and social security		
2.1 15-year free education programme	19,000.0 (US\$ 545.9 m)	Students / Parents
2.2 Sufficiency economy for community development	15,200.0 (US\$ 436.8 m)	People / Communities
2.3 Income security for senior citizens	9,000.0 (US\$ 258.6 m)	Senior citizens
2.4 Capacity-building for the unemployed to add economic and social value for communities	6,900.0 (US\$ 198.2 m)	Farmers / labour outside the agricultural sector / businesses
2.5 Promotion of village public health volunteers	3,000.0 (US\$ 86.2 m)	Public health volunteers

Programme / Project	Budget (million baht) (approx USD)	Target Group
2.6 Housing for junior police officers	1,808.8 (US\$ 51.9 m)	Junior police officers
2.7 Improvement of health stations	1,095.8 (US\$ 61.5 m)	People in rural areas
3. Management plan for emergency circumstances		
Reserve budget for emergency expenses	2,391.3 (US\$ 68.7 m)	
4. Expenditure to cover treasury account withdrawals		
Funds to cover treasury account withdrawals	19,139.5 (US\$ 550 m)	

The ministries concerned have been tasked to work out details of the programmes/projects and to finalize the draft bill on the mid-year budget for Cabinet approval on 20 January before submitting them to Parliament.

14 January 2009