



NESDC News

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สภาพัฒนา



สภาพัฒนา Update

Launch of the New 2023 OECD Economic Survey for Thailand: Pursuing a Strong and Inclusive Green Recovery

Office of the National Economic and Social Development Council (NESDC), along with Organisation for Economic Co-operation and Development (OECD), organized the Launch of the New 2023 OECD Economic Survey for Thailand: Pursuing a Strong and Inclusive Green Recovery which convened on Thursday, December 7, 2023 at Royal Maneeya Ballroom, Renaissance Bangkok Ratchaprasong Hotel. In such a circumstance, opening remark was honorably delivered by **H.E. Julapun Amornvivat, Deputy Minister of Finance**. Thereafter, **Dr. Luiz de Mello, Director of the Policy Studies, Economics Department, OECD**, presented the key findings of the Second OECD Economic Survey of Thailand while **Mr. Danucha Pichayanan, Secretary-general of NESDC**, gave key responses from Thailand on the Second OECD Economic Survey of Thailand and the readiness of OECD Accession.

Additionally, the seminar was conducted for an idea exchange with the experts, which consist of two stages. The first stage was an academical discussion on **Key Policy Insights for a Robust Recovery Path for Thai Economy** which has various experts to join our discussion and idea sharing including (1) Dr. Jens Arnold, Head of Division, Country Studies, OECD, (2) Dr. Pan Ananapibut, Senior Expert on Local Public Finance, Fiscal Policy Office (FPO), (3) Dr. Akarapon Houbcharaun, Director of Foreign Affairs Division, Trade Competition Commission of Thailand (TCCT), and (4) Dr. Kiatipong Ariyapruchya, Senior Country Economist, World Bank. Afterwards, the second discussion was a discussion on **Strong and Inclusive Green Recovery** which has various experts to join our discussion and idea sharing including (1) Dr. Jens Arnold, Head of Division, Country Studies, OECD, (2) Dr. Atsamon Limsakul, Director of Climate Change Adaptation Research Section, Department of Climate Change and Environment (CCE), and (3) Dr. Kwanpadh Suddhi-Dhamakit, Senior Country Officer, World Bank. All of the discussion was moderated by Dr. Arnunchanog Sakondhavat, Director of Macroeconomic Strategy and Planning Division, NESDC.

Regarding **the Second OECD Economic Survey of Thailand 2023**, the key findings of the survey are as follows Thailand has achieved remarkable economic and social progress over the past decades. The economy has picked up since the COVID-19 pandemic, buoyed by a strong rebound of tourism. Nevertheless, bold reforms are now needed to make the recovery more solid and inclusive, according to a new OECD report. Strong fiscal support has helped to avoid a sharp economic contraction during the pandemic, but public debt has increased rapidly over the past years and fiscal consolidation should thus now continue at a gradual pace to strengthen debt sustainability and support the efforts of monetary policy, which should remain tight to reduce inflation pressures. Emergency support to households that was implemented during the pandemic should be phased out, while continuing to support those most in need through regular social protection.

The second OECD Economic Survey of Thailand illustrates that the Thai economy is projected to continue its gradual recovery, with real GDP expected to grow by 3.6 percent in 2024. Private consumption is projected to remain strong, despite the gradual phase-out of government relief measures and high levels of household debt. The labour market is recovering well, but young people have not fully benefited from the recovery. Weaker global demand has weighed on exports, but this is set to change amid rising tourist arrivals.

The country now needs to address several key structural challenges, including population ageing, the digital transition, possible reconfigurations of global value chains and the green transition. Further policy actions to raise productivity will be key to support convergence towards higher income levels amid a declining working-age population. Stronger efforts to improve the business climate, adopt digital technologies and foster competition will be important, including by relaxing remaining restrictions to market entry and foreign direct investment, especially in the services sector, and expanding trade agreements to benefit from changing patterns of global trade. Initiatives to prevent and fight corruption should be continued.

Recent developments have highlighted the need for Thailand to build a more comprehensive social safety net to support vulnerable households. Income inequality has significantly declined since the 1990s, but further efforts will be needed to achieve more inclusive growth, as more than 50 percent of workers are in the informal sector and remain outside the reach of the formal social security system.

Achieving current net zero emission pledges will require bold policy action. This calls for a comprehensive strategy for carbon pricing in combination with tighter regulations and targeted support for vulnerable social groups adversely affected by the transition, while phasing out other government interventions in energy prices. Stronger incentives are needed for both domestic and foreign investment in higher energy efficiency, renewables and green innovation.

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Pursuing a Strong and Inclusive Green Recovery**



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