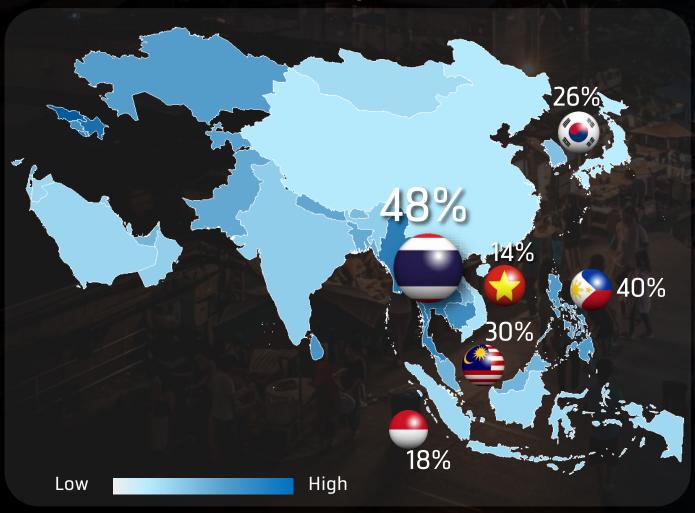
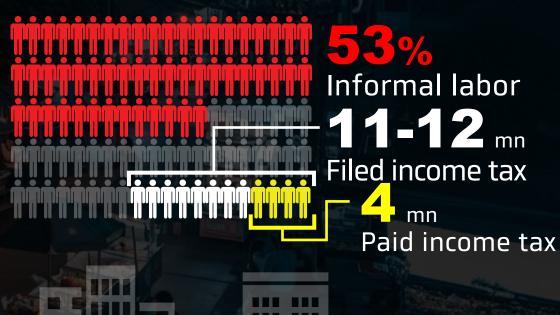
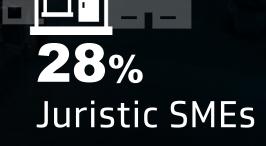


Thailand has large informal economy

Informal economy in Asia (% of GDP)







Source: World Bank, NSO,. OSMEP, MOF



Low or belowpotential income

High poverty & inequality

Weak regulation & governance

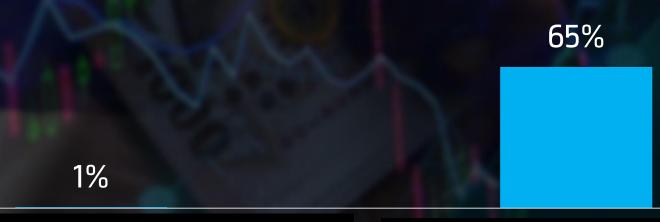


Low productivity Low resilience Slower sustainable development

Corporate responsibility is required

"Fair treatment of small suppliers in the supply chain"

Income is concentrated in large corporates



Proportion of large firms to total firms

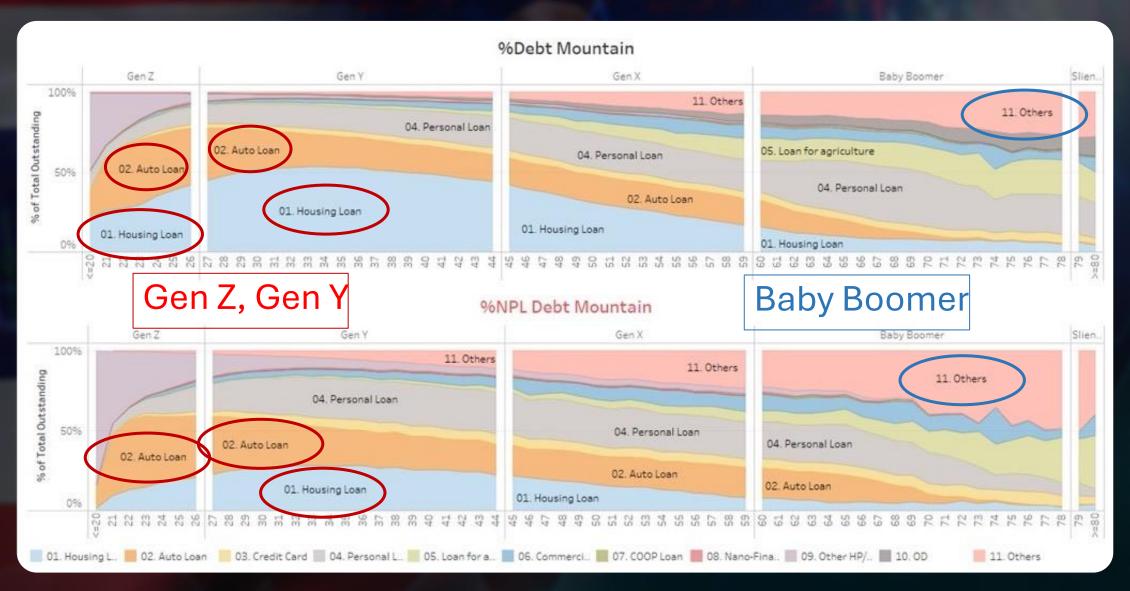
GDP of large firms

Source: OSMEP (data for 2024)

Numerous credit and financial service providers; Some lacking transparency

Financial institutions	Non-bank	Cooperatives	Credit Union	Pawnshop	Total
39	122	1,460	633	783	3,037

Vulnerability among the young and the old



Source:: NCB (2024)

Household debt could surpass 100% of GDP.



Sustainable lending for sustainable future

ति Inclusion

 Market-based solutions & Incentive alignment

Risk-sharing between the government and financial institutions

- Provide information to encourage better financial discipline (nudge).
- Provide loan that aligns with the borrower's purpose.

Healthy Borrowing

Principles of Sustainable Lending

- Risk-based pricing
- Reduce asymmetric information to ensure that good borrowers do not bear the burden of bad borrowers and to prevent moral hazard.

 Benefits, rights, and voluntary participation of borrowers, based on a consent-based approach.

Open Competition



 Level playing field between Bank, Non-Bank, SFIs and cooperatives

Transition from debt relief to "structural reform"

01 निर्मा Targeted welfare uplift & full formal inclusion



Enhance national data (e.g., NCB) for better decisions & less distortion



Boost competitiveness & household income



TBA Chairman



Negative Income Tax to be applied for all Thai workers by 2027

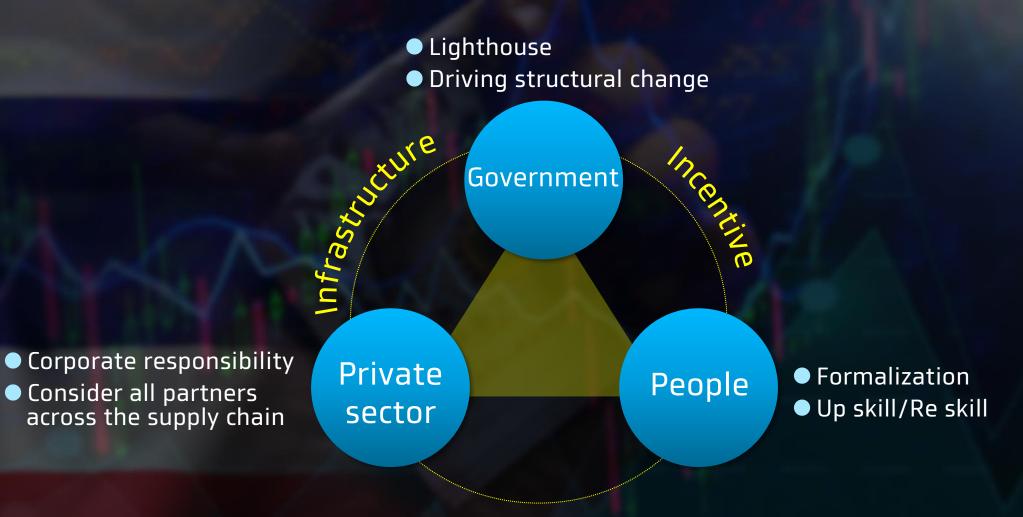


Permanent Secretary, Ministry of Finance

2024

Next

The government must be the lighthouse.



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