

# Emerging Stronger Together

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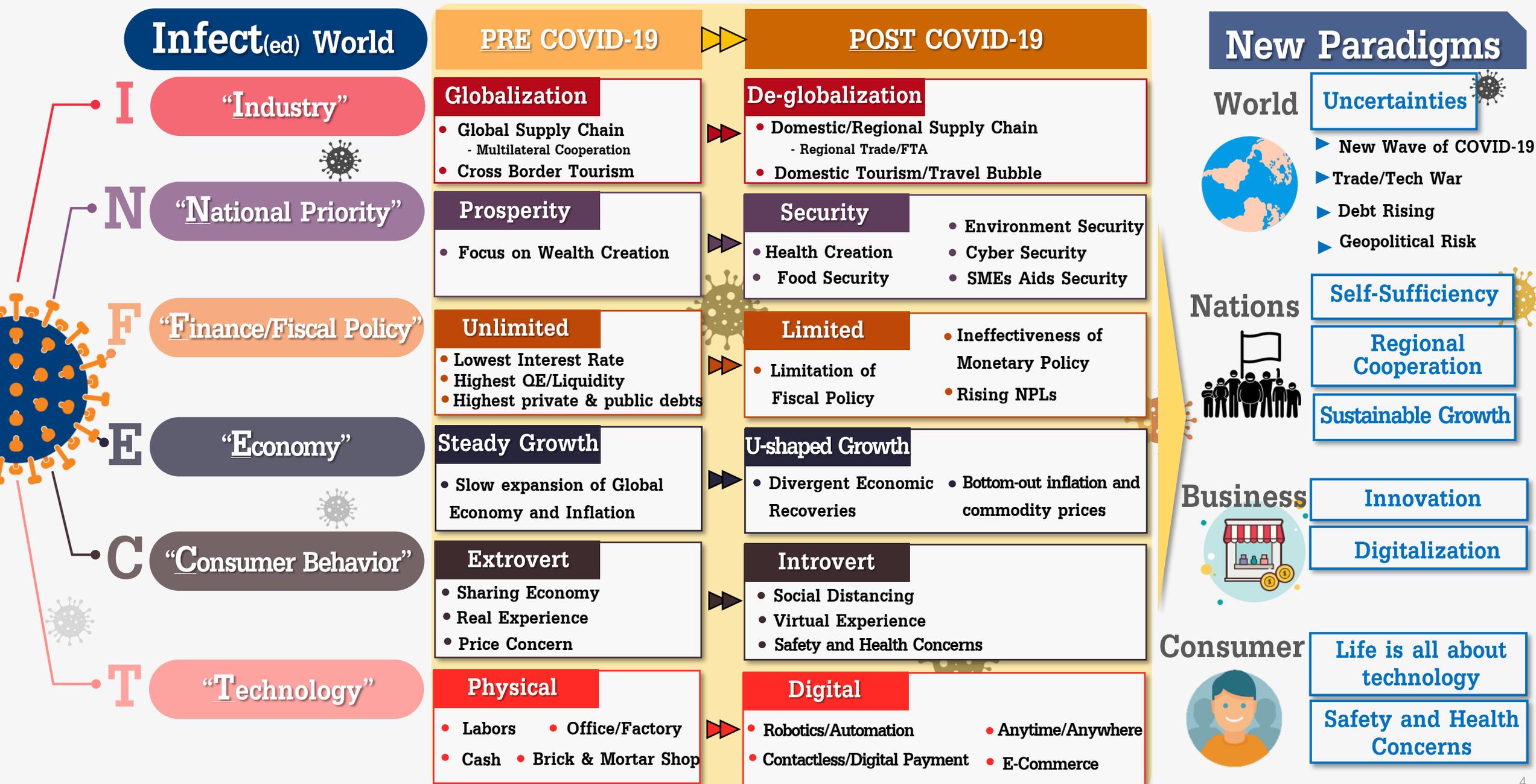
## OUTLINE

- **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



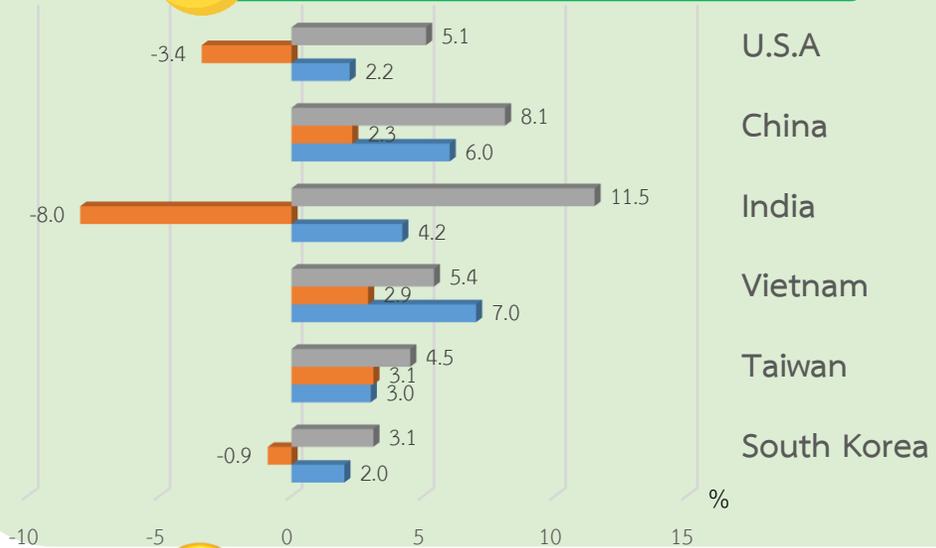
# Global Economic Outlook & What to Watch For



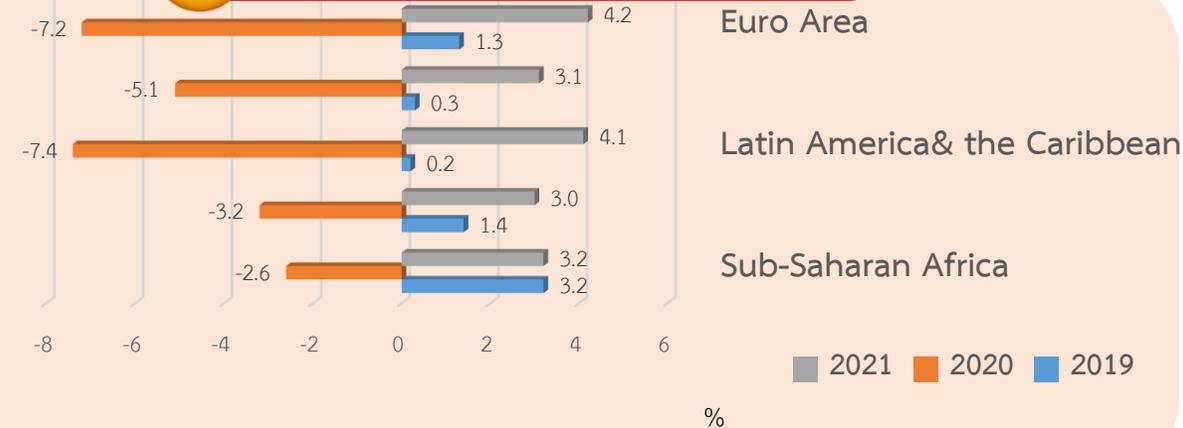
# Global Economy is facing divergent recoveries among countries, depending on various factors



## Fast Recoveries



## Slow Recoveries

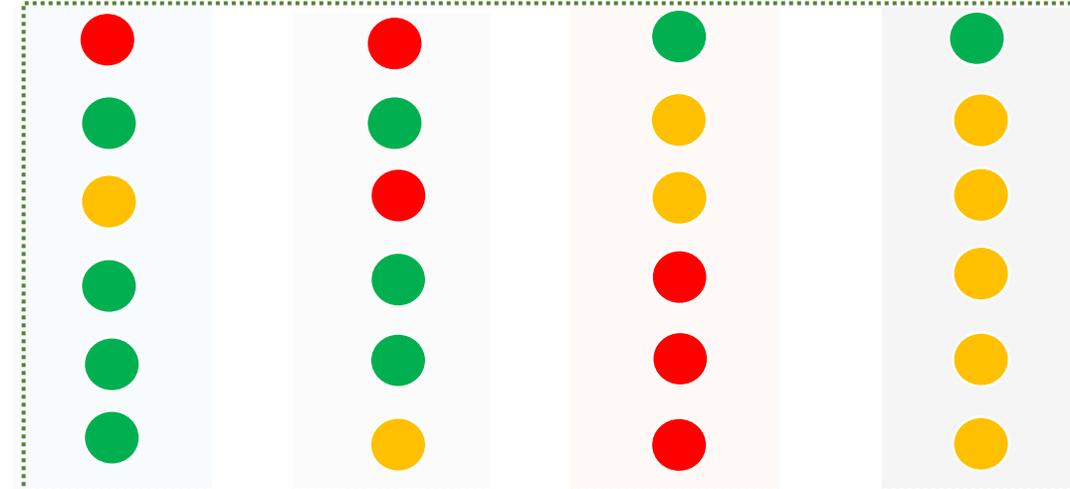


COVID Control

Economic Damage

Vaccine Rollout

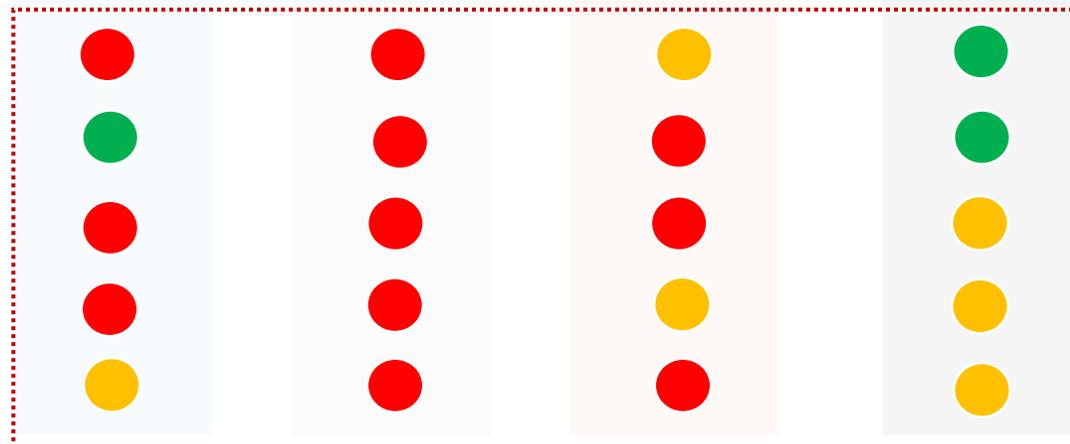
Stimulus Package



≥ 2/4



High or Moderate Capabilities



≥ 2/4

Low Capabilities

- Green (Infection <1% of Pop.)
- Yellow (Infection 1<X<5% of Pop.)
- Red (Infection >5% of Pop.)
- Green (GDP in 2020 >1%)
- Yellow (GDP in 2020 -1<X<0%)
- Red (GDP in 2020 <-1%)
- Green (Rollout >10% of Pop.)
- Yellow (Rollout 1<X<10% of Pop.)
- Red (Rollout <1% of Pop.)
- Green (Package >10% of GDP)
- Yellow (Package 1<X<10% of GDP)
- Red (Package <1% of GDP)

# 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

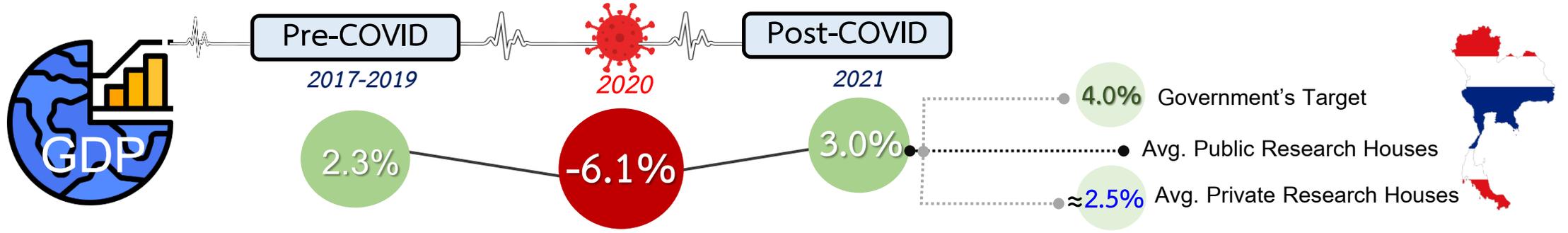


# Thailand's Economic Perspective





# Good News : Thai Economy is getting back on track



## 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



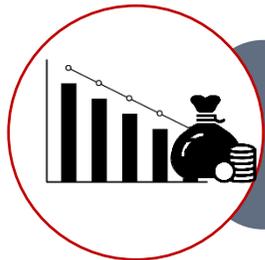
### The Delay of Tourism Sector Recovery

- 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



### Buoyed Household Debt

- 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



### Sluggish Private Investment

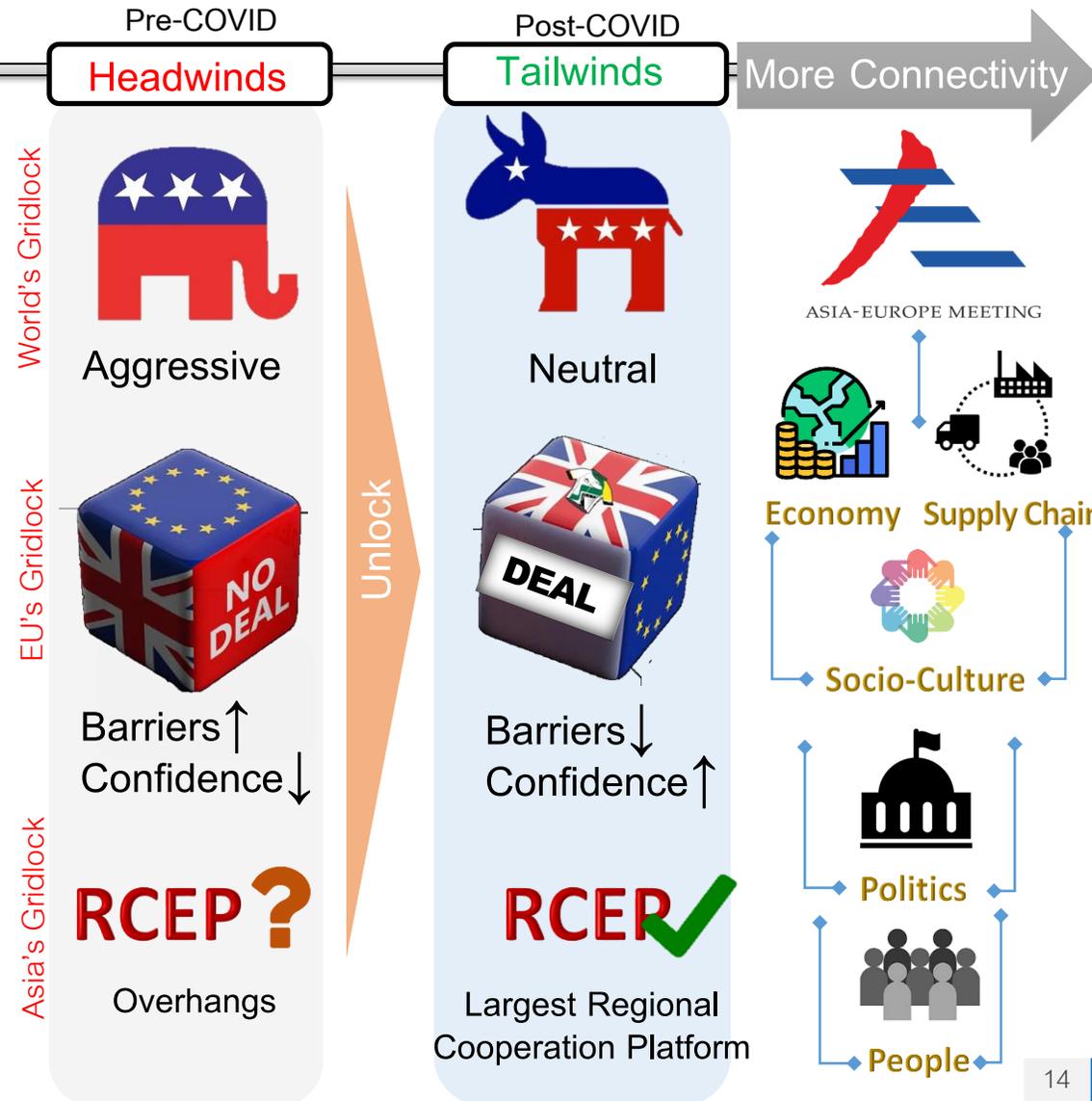
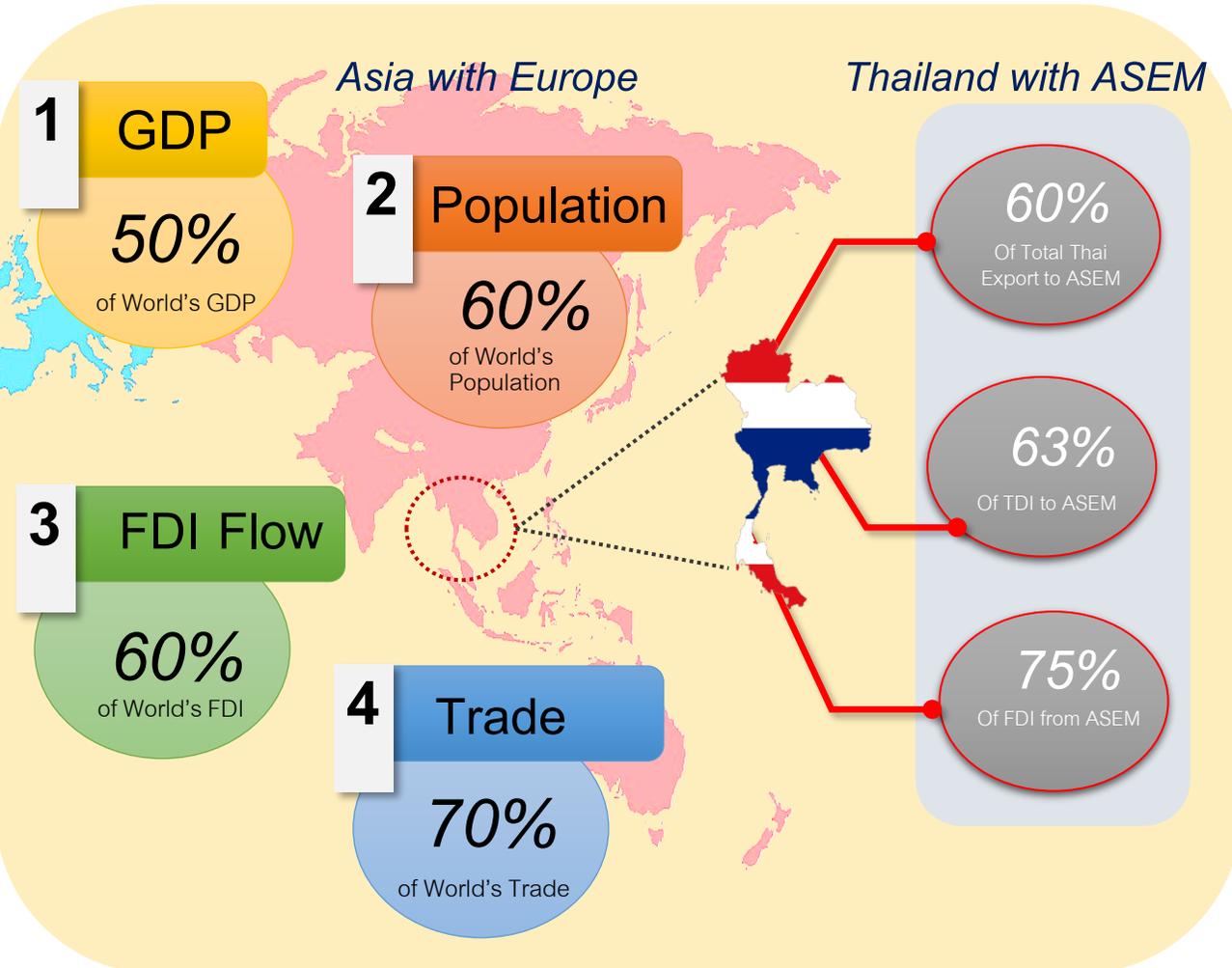
- High Competition for FDI attraction
- Domestic Market Maturity
- Political Uncertainty

# Strengthening Asia-Europe Partnership



# The Future of Asia and Europe is encouraging after some headwinds have subsided

## Together is Greater

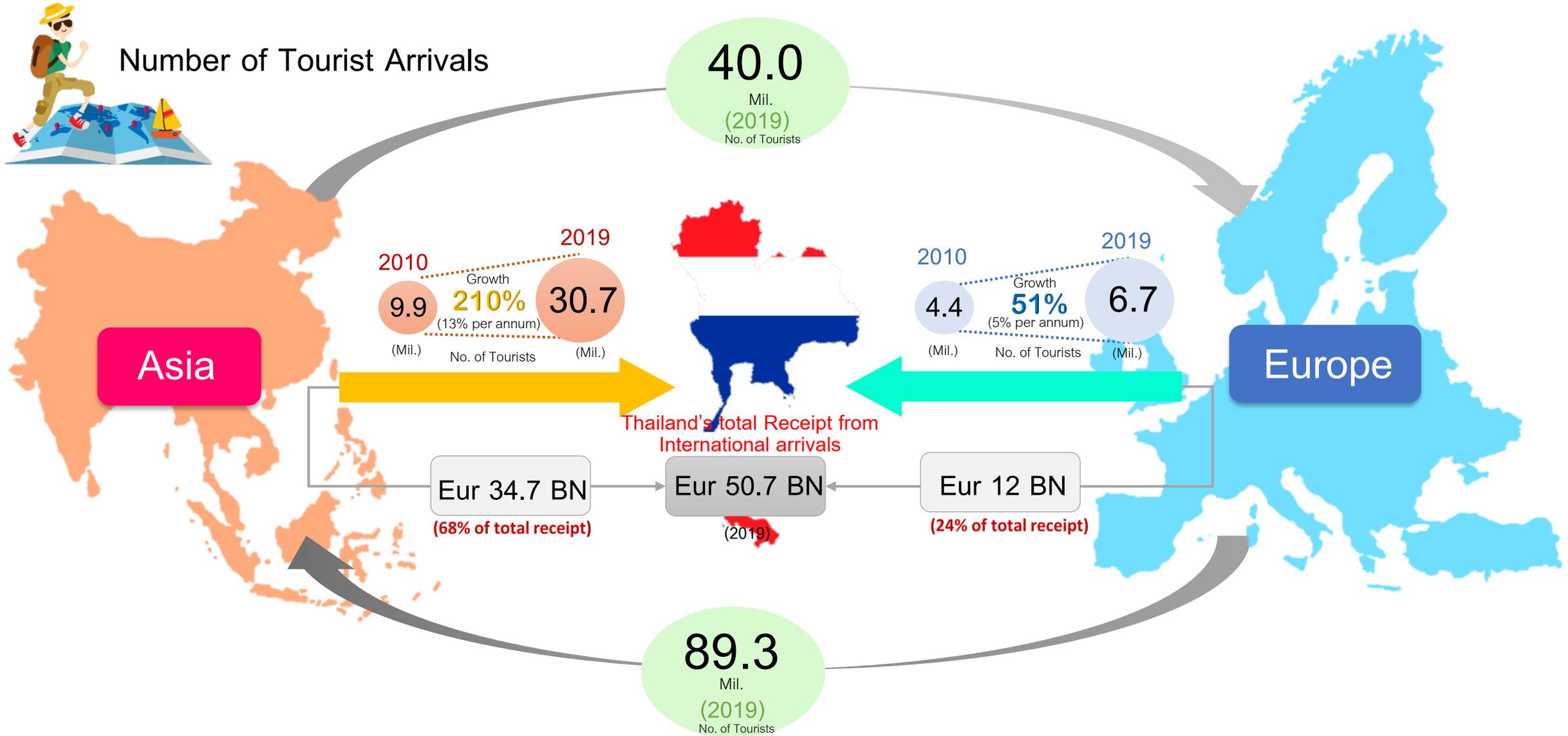


Source : Asia Europe Economic Forum, Ministry of Commerce and Bank of Thailand

# Towards a More Resilient and More Connected Asia-Europe



# Reconnecting Asia and Europe with Travel & Tourism



*Thank you!*