

# Thailand's Sovereign Credit Trend: The Long Term View

Kim Eng Tan  
Senior Director  
Sovereign Ratings

Copyright © 2018 by S&P Global.  
All rights reserved.



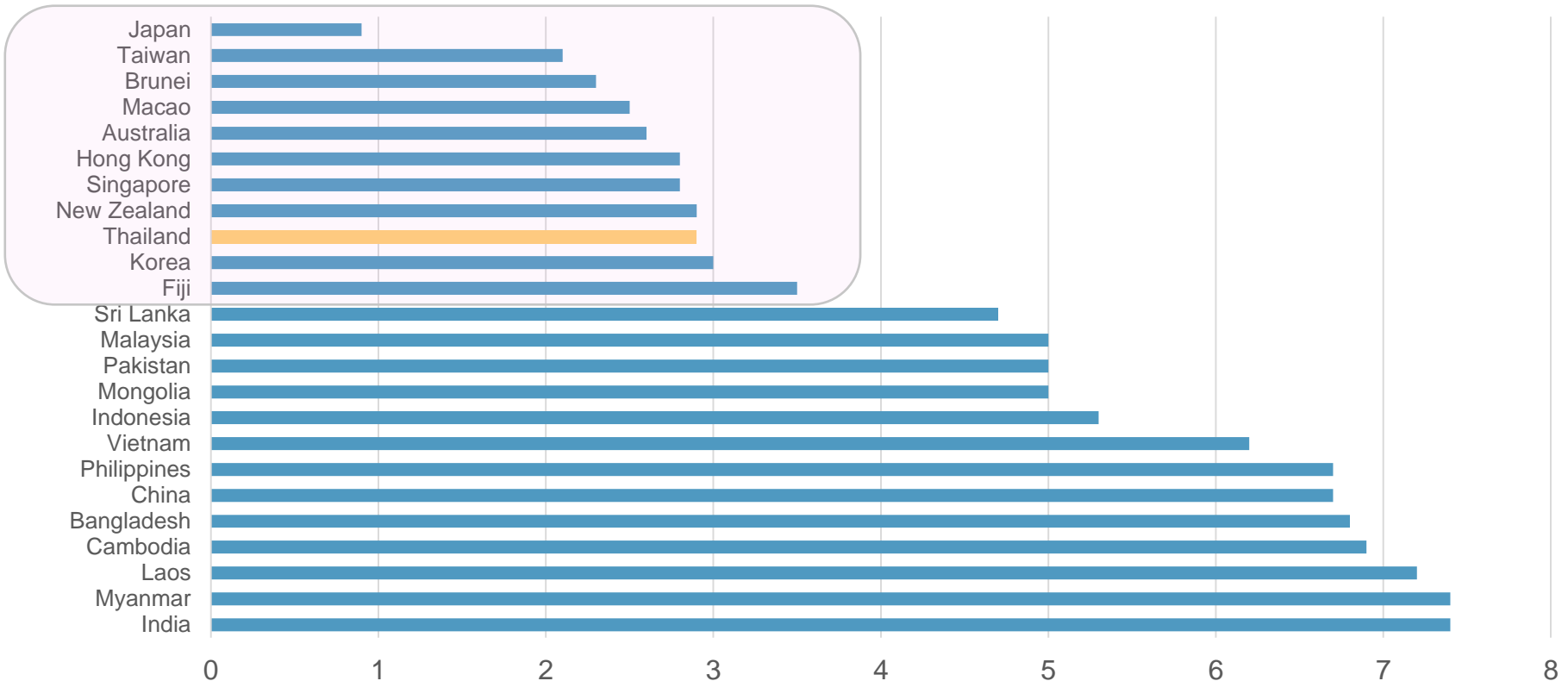
# Strong Balance Sheet Underpins Thailand's Sovereign Creditworthiness

	Score
Institutional assessment	4
Economic assessment	4
External assessment	1
Budget performance	3
Debt	2
Monetary assessment	3

Source: S&P Global Ratings

# Economic Growth Slightly Below Par In Recent Years

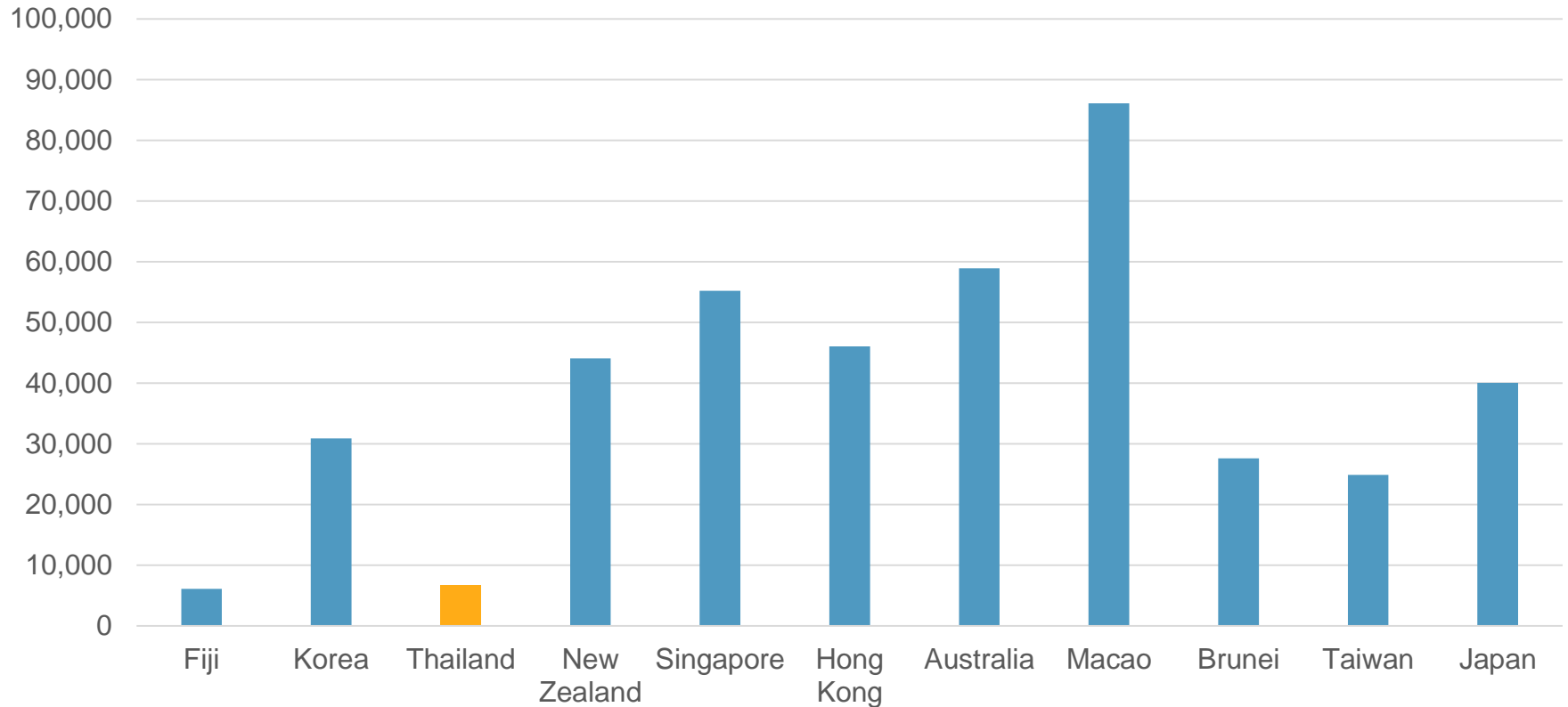
Average growth in 2013-2021 (%)



Source: IMF, S&P Global Ratings

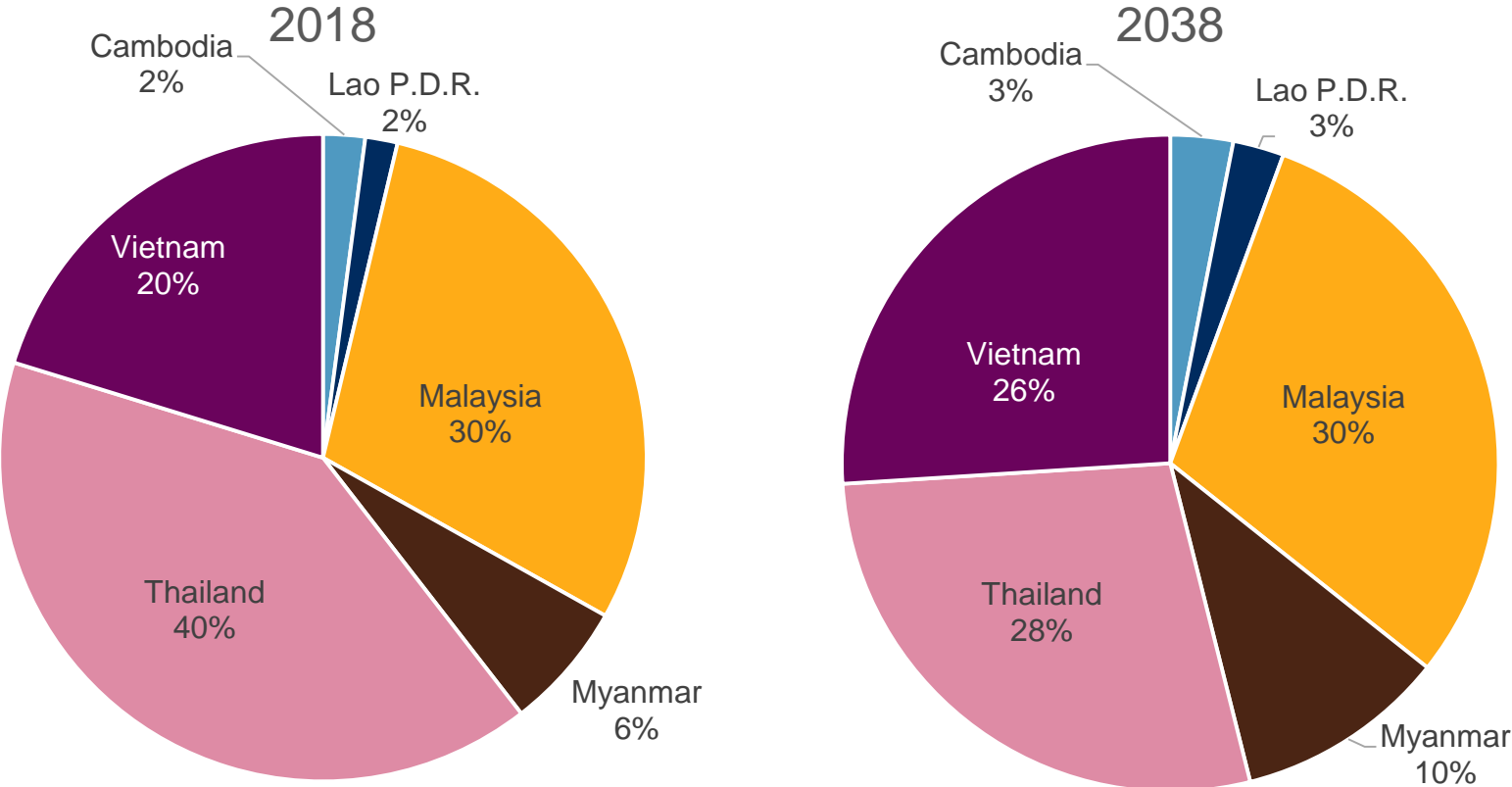
# In Good Company?

Per capita GDP (2018, US\$)



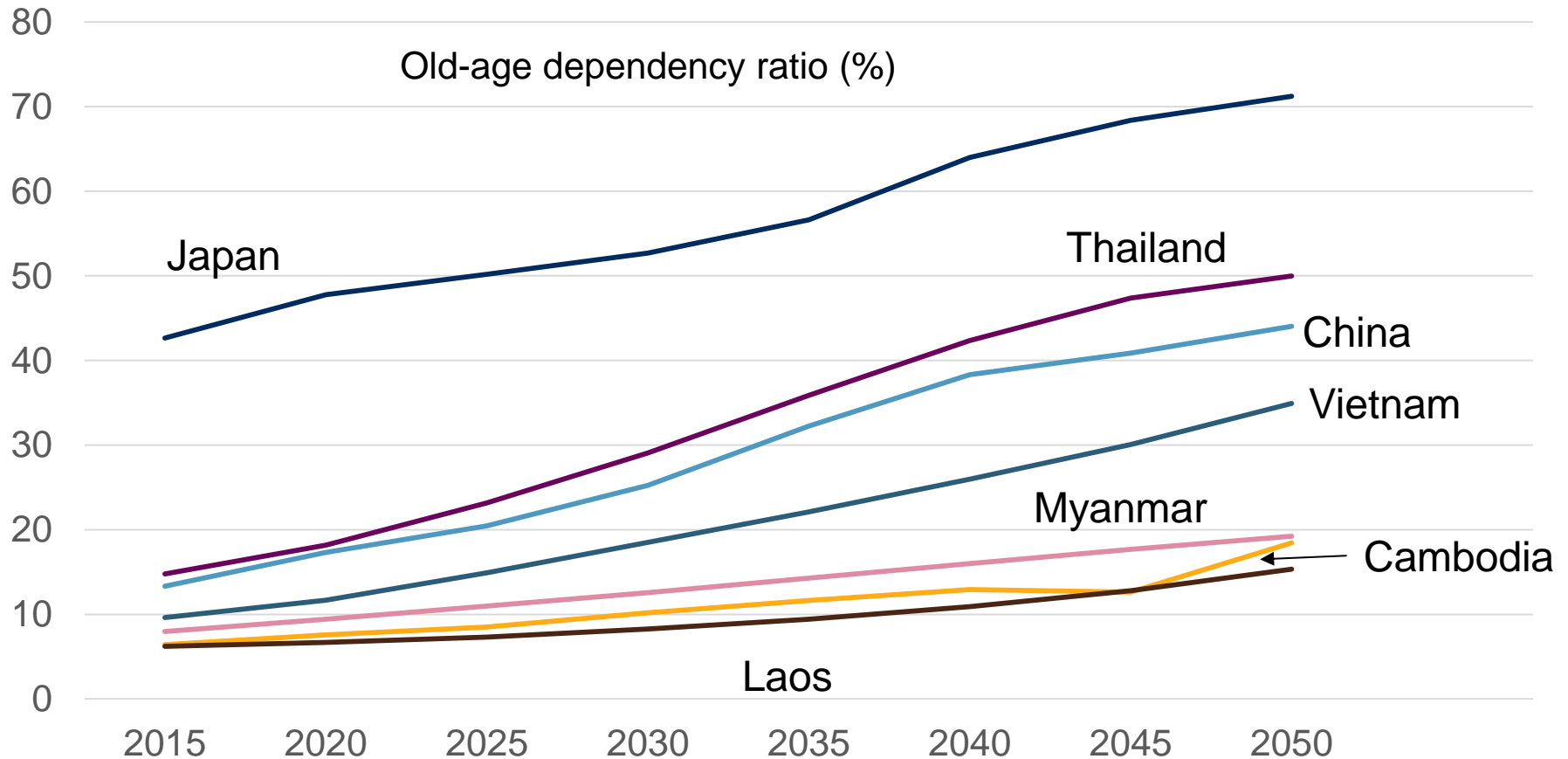
Source: IMF

# Economic Relativity Will Change If Growth Differences Persist



Source: IMF, S&P Global Ratings

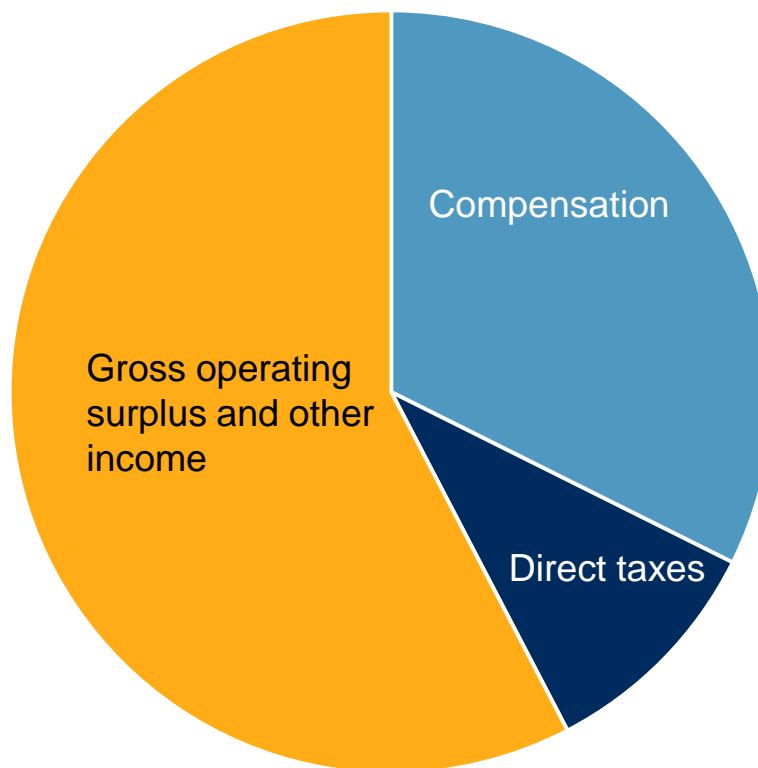
# Thailand Aging Much Faster Than Neighbors



Source: United Nations World Population Prospects 2017

# Wages Are A Relatively Small Share Of National Income...

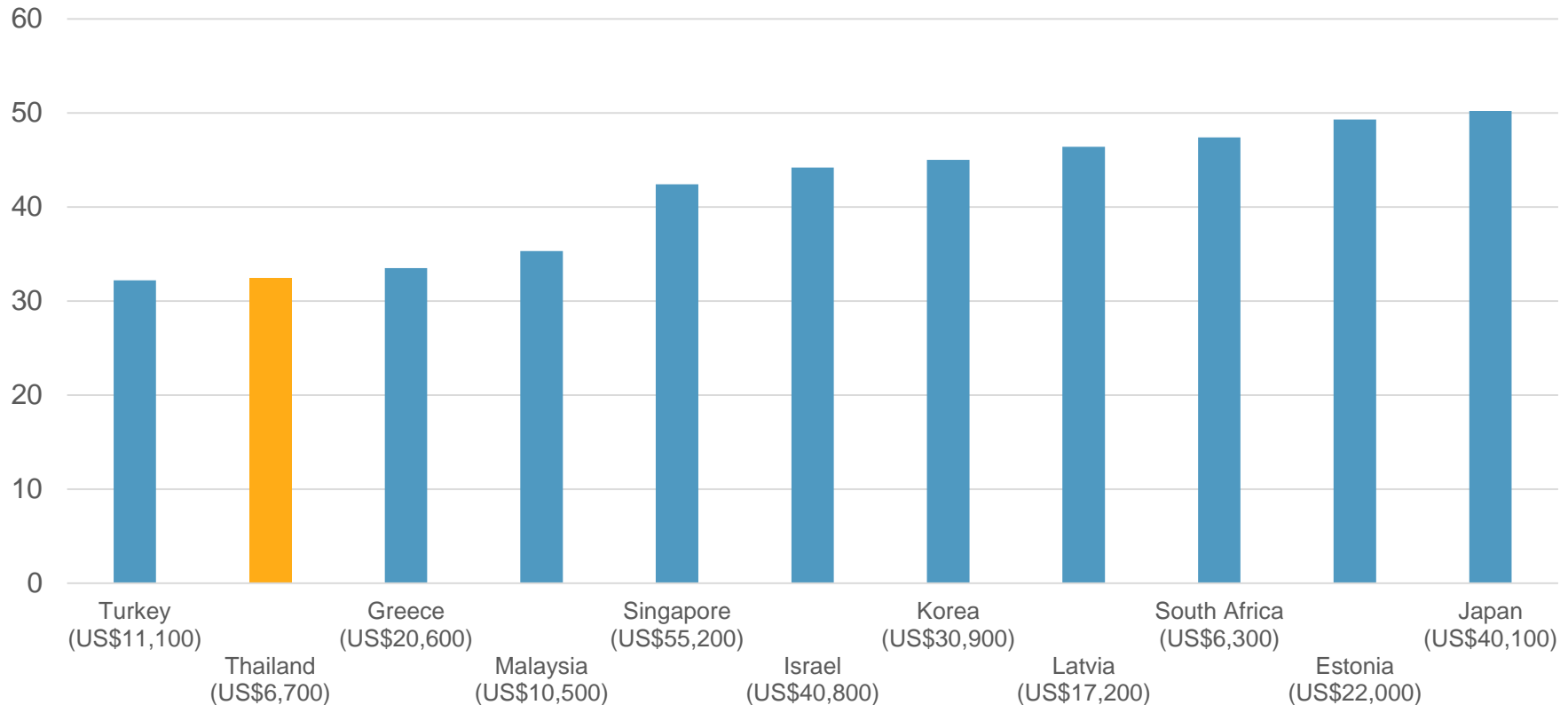
Income component of GDP



Source: National Economic & Social Development Board

# ...Among Economies That Publish Such Data

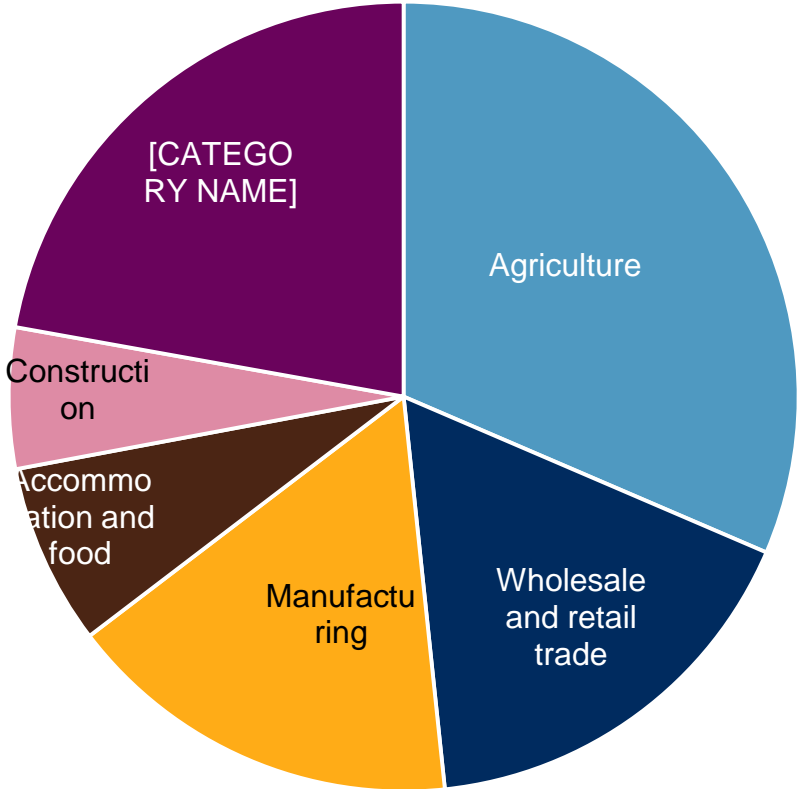
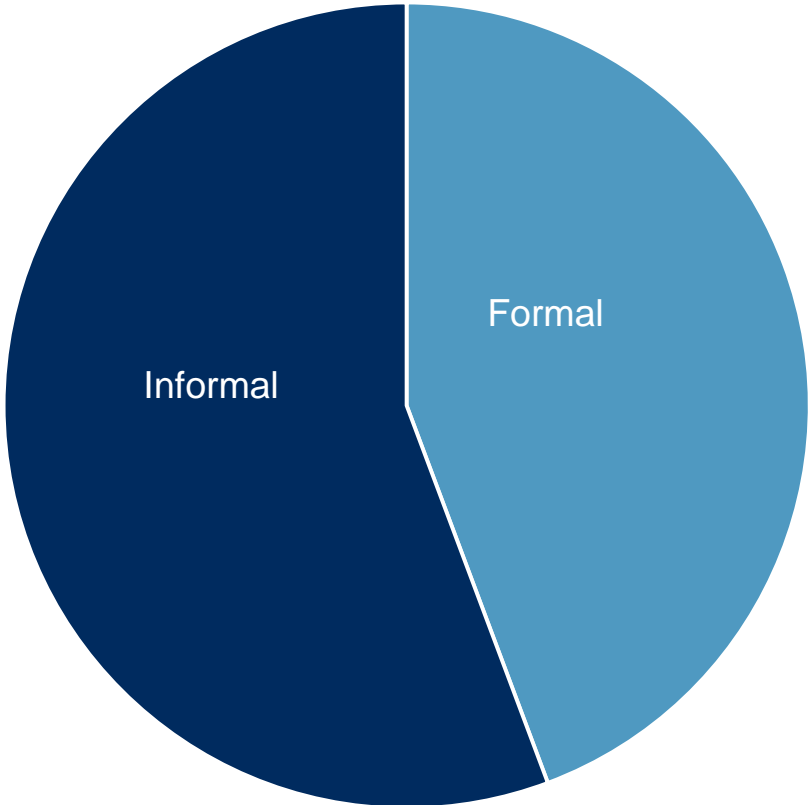
Share of compensation in national income (%)



Source: OECD, IMF, Various national statistical sources



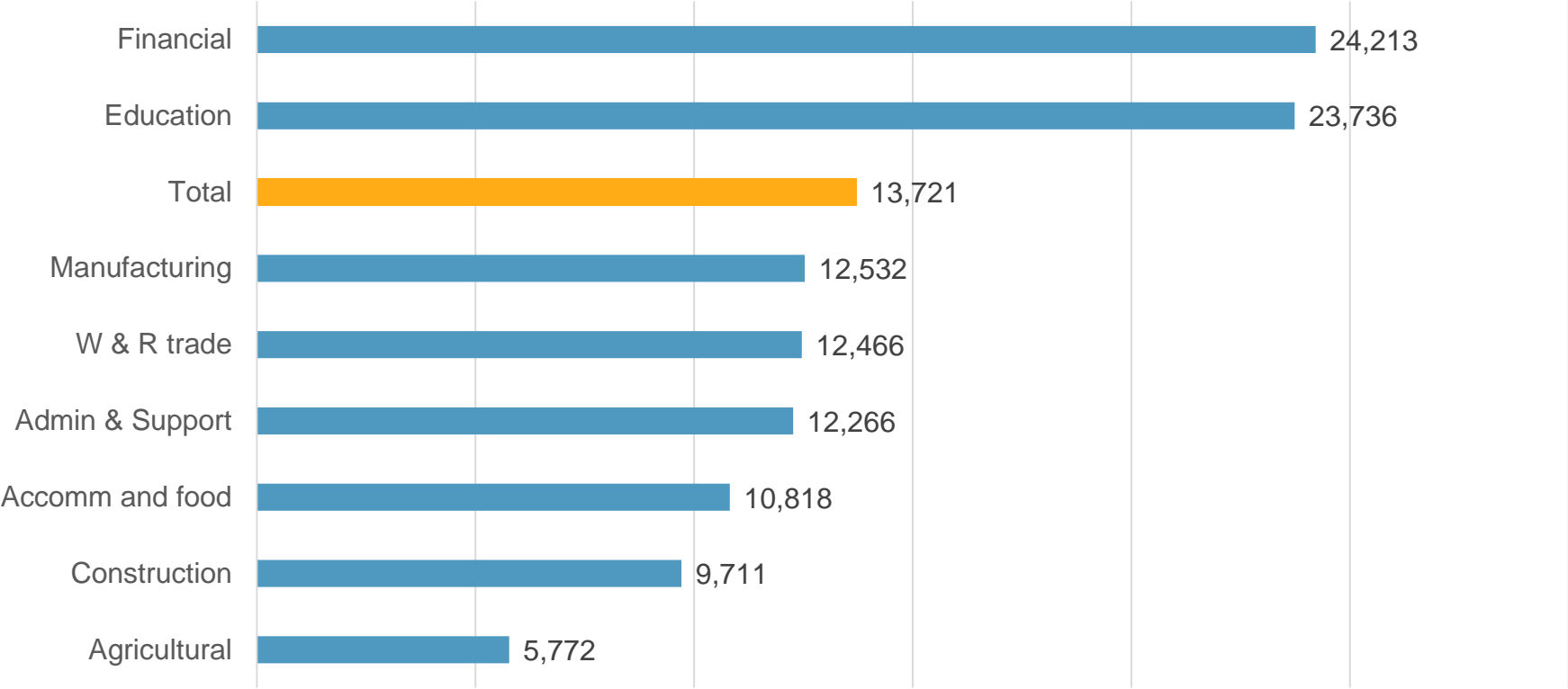
# Employment Structure May Be A Reason



Source: Thailand National Statistical Office, Bank of Thailand

# Many Employed In Lower Wage Industries

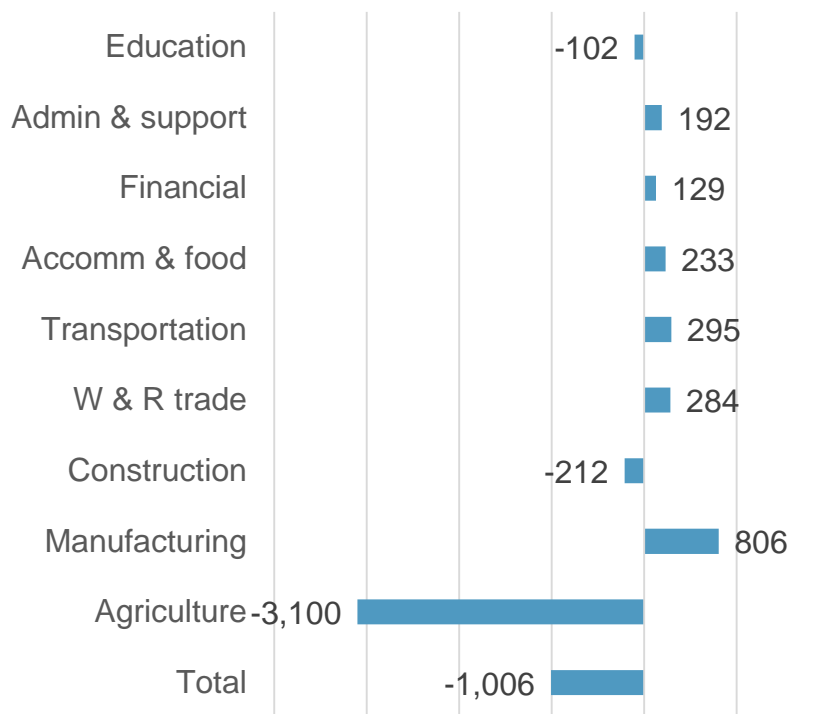
Average wage in 2017 (Baht/month)



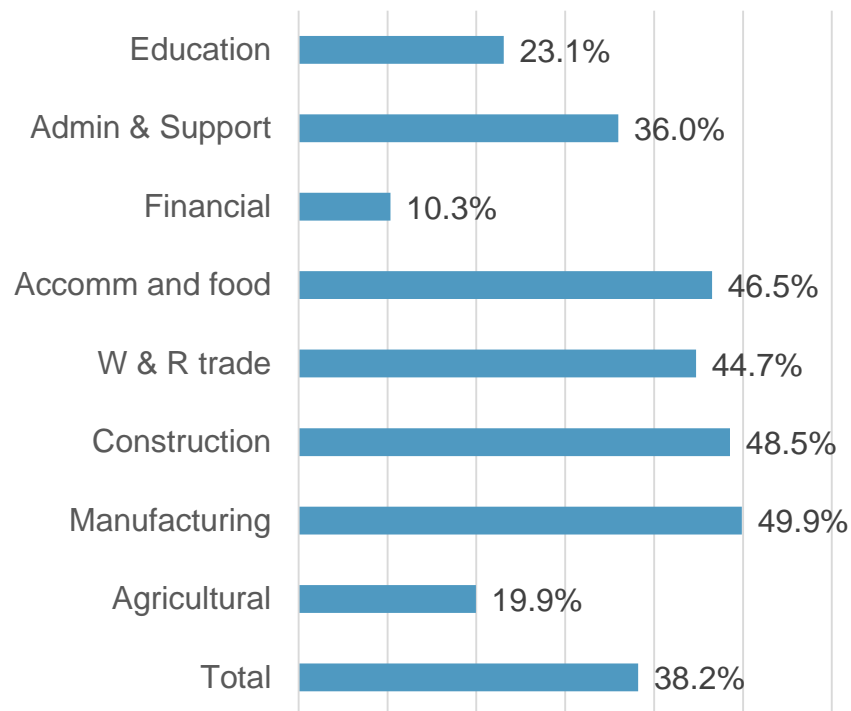
Source: Bank of Thailand, National Statistical Office of Thailand

# Things Are Changing

Change in employment over 2011-2017 (thousand)

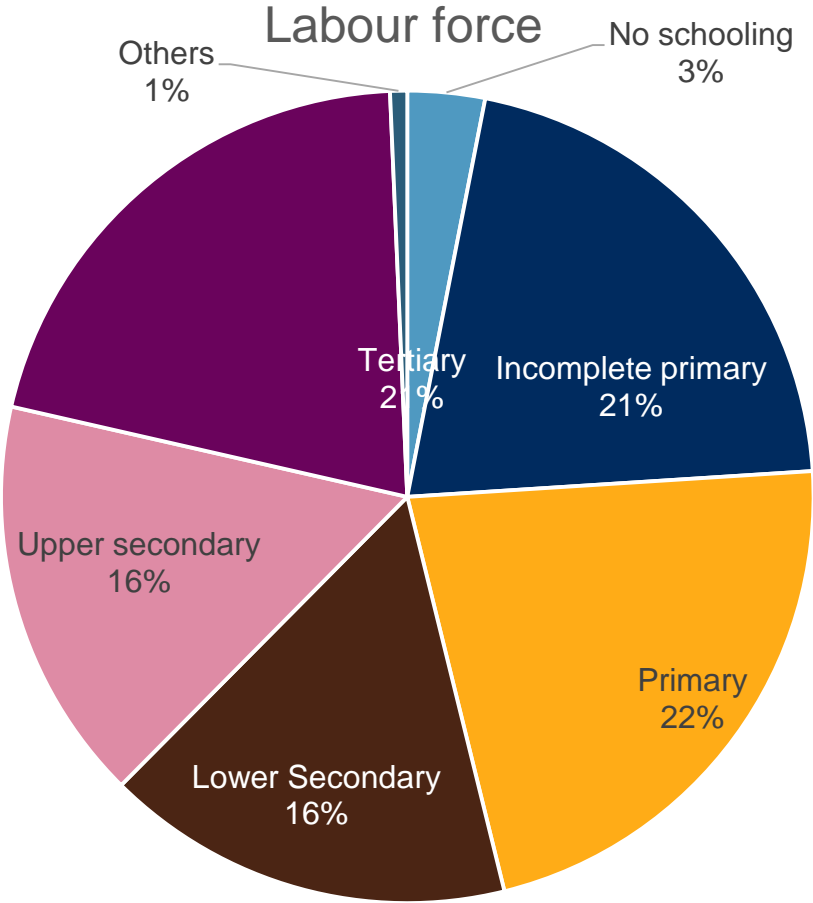


Growth in average wage over 2011-2017



Source: Bank of Thailand, National Statistical Office of Thailand

# More Education Would Be Useful



Sxoure: National Statistical Office of Thailand

# Thank you



**Kim Eng Tan**

Senior Director

Sovereign and International Public Finance Ratings

T: +65 6239 6350

[kimeng.tan@spglobal.com](mailto:kimeng.tan@spglobal.com)