



**Statement for the Annual Budget Expenditures
for Fiscal Year 2018**

Delivered by

General Prayut Chan-o-cha, Prime Minister,

to the National Legislative Assembly

Thursday, 8 June B.E. 2560 (2017)

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Honourable President of the National Legislative Assembly,

The Cabinet is now ready to present a Draft Bill on Annual Budget Expenditures for Fiscal Year 2018 with the following principle and rationale:

Principle

The annual budget expenditures for Fiscal Year 2018 are set at the amount not exceeding 2,900,000,000,000 baht.

Rationale

The annual budget expenditures for Fiscal Year 2018 are drawn up to allow the government agencies, state enterprises, and other agencies to expend the state's funds.

Honourable President,

The Draft Bill on the Annual Budget Expenditures for Fiscal Year 2018 proposed today by the Cabinet to members of the National Legislative Assembly is one of the government's efforts to stimulate the development in Thailand in accordance with current economic and social situations. The annual budget expenditures are the government's tool to ensure the implementation of strategies and important and urgent policies to achieve concrete results, the greatest benefits and worthiness for the people.

Prior to the statement on the essence of this Draft Bill on Annual Budget Expenditures for Fiscal Year 2018, I would like to provide an overview of the country's general economic conditions and its monetary and fiscal status and policy as follows:

General Economic Conditions

Thailand's economy in 2017 has the tendency to expand within the range of 3.3–3.8 per cent from the expansion in 2016 at 3.2 per cent with the key supporting factors including: (1) the export recovery following the improvement of trading partner economies and world prices; (2) the significant and accelerating growth of the public investment; (3) the improvement in agricultural production and prices that reflect good economic conditions; (4) tourism sector's continued expansion to support the economy; and (5) the expansion of the domestic automotive market. Nevertheless, the economic growth has been restrictive as a result of the low capacity utilisation rate, which affects the investment growth of the private

sector and the overall economy. In addition, there are also potential risks from fluctuations of capital mobility and exchange rates, implementation of the US key policies and measures, essential policies of the US and the continuity in the recovery of oil prices and commodity prices in the world market. Economic stability remains in a good condition. The inflation rate is expected to remain at approximately 0.8–1.3 per cent while the employment rate is improving following the recovery of production sectors and the expected current account surplus of approximately 8.9 per cent of GDP.

For the year 2018, the Thai economy is expected to expand around 3.3–4.3 per cent consecutively from the year 2017 with supporting factors from the expansion of goods and services exports following the upward trend of economic conditions and the world trade volume. This includes the continuously rising domestic demands following the significant progress of public infrastructure investment projects, together with the recovering and expanding of the private sector investment and continuing household spending growth following the recovery of exports, tourism, and adjustments back to the agricultural production normalcy. The economy remains stable at an inflation rate range of 1.5–2.5 per cent, whereas the current account surplus tends to be approximately 7.6 per cent of GDP.

Fiscal Status and Policies

Given the economic conditions provided above, in the Fiscal Year 2018, the government estimates the total revenue collection to be 2,565,000 million baht, an increase from that of last year by 3.4 per cent.

Deducting the allocated VAT for Local Administrative Organisations as stipulated by the Determining Plans and Process of Decentralisation to Local Government Organisation Act B.E. 2542 (1999) and the amendments by the amount of 115,000 million baht, there remains as a net income for government expenditures to be allocated at 2,450,000 million baht or 15.2 per cent of GDP.

The Draft Bill on Annual Budget Expenditures for Fiscal Year 2018 as proposed by the Cabinet to the honourable members totalling of 2,900,000 million baht is carried out as a deficit budget policy with the net revenue being set at the deficit budgets 2,450,000 million baht and the budget financing deficit of 450,000 million baht.

The treasury reserve status as of 26 May 2017 amounts to 182,515 million baht. The government will ensure the management of the treasury reserves to be at an appropriate level and effectively administer the government's receipts and expenses for the maximum benefits to the people.

Monetary Status and Policies

Thailand's economy in 2016 tends to continuously expand especially from the exports and tourism sectors while revenues from the agricultural sector rise. Nonetheless, there are uncertainties from the external sector which may affect the Thai economic expansion in the longer term. In its first two meetings of the year 2017, the Monetary Policy Committee passed the resolutions to maintain the policy interest rate at 1.5 per cent in order to allow monetary conditions to be accommodative and conducive to

economic growth, which would induce inflation to return to the midpoint of the monetary policy target while simultaneously preserving the country's financial and economic stability.

Furthermore, the Monetary Policy Committee has considered that the government's investment, especially for large-scale infrastructure investments will take a pivotal role in driving the economy and stimulate confidence and investment of the private sector, which, in turn, will strengthen the domestic demand. They also see the necessity of policies supporting concrete structural reforms in order to increase the potentials and competitiveness of Thai businesses to be prepared for increasing tendency of uncertainties. Even if the overall economic stability of Thailand is in a good condition, the continuously extended low policy interest rate may cause an accumulated imbalance in the financial system. It needs to be monitored for risk signals and dealt with in an appropriate and timely manner.

The current foreign financial status of Thailand is at a good level. The international reserve balance as of 30 April 2017 was 184,469.9 million US dollars or around 3.5 times of short-term external debts, which is regarded as a stable level.

Honourable President,

The Draft Bill on Annual Budget Expenditures for Fiscal Year 2018 proposed today by the Cabinet to the National Legislative Assembly Members is designed for the country's "Stability, Prosperity, Sustainability"

in accordance with the 20-year National Strategy (2017–2036) with consideration of the continuity of the government’s administration for the maximum benefits to the people and the country by holding the two main principles as follows:

Firstly, the adoption of His Majesty King Bhumibol Adulyadej’s “Sufficiency Economy Philosophy” that has been bestowed on the Thai people to be a guide in determining a reasonable and moderate budget expenditure framework by focusing on every dimension of well-balanced development including the economy, society, and natural resources and environment.

Secondly, the determination of the government’s policies proposed to the National Legislative Assembly for the country’s administration and the Constitution of the Kingdom of Thailand coupled with the 12th National Economic and Social Development Plan (2017–2021) and National Security Policy (2015–2021).

The policies and guidelines towards the budget allocation have been summarised as follows:

1. To continually reform the annual budget expenditure allocation by adjusting the budget allocation into six groups in order to better clarify expenses of each group which include central fund, budget expenditures for public sector personnel, budget expenditures for ministries/agencies (Function), integrated budget expenditures (Agenda), area budget expenditures (Area), and budget expenditures for public debt management. This is in order to organise budget expenditure allocation

according to the priority of each group with efficiency and flexibility, as well as to increase the effectiveness of the budget execution.

2. To allocate the budget in a strategically integrated way which conforms to the 20-year Strategy Draft totalling 29 programmes: 26 programmes for integrated budget expenditures and 3 programmes for area budget expenditures, focusing on mission and budget integration in three dimensions. The strategic dimension and ministry/agency dimension will be coordinated with provinces/clusters of provinces and Local Administrative Organisations under the area dimension in order to resolve the problems and develop the areas to respond to people's demands and drive the government's policies using budget expenditures as a major tool to increase operational effectiveness and economise budgets at the same time.

3. To increase efficiency of budget allocation to cover all the financing sources by allowing the government agencies, state enterprises, and other agencies that have remaining revenues and accumulating reserves to spend for their internal operations. It also includes the encouragement of the public and private sectors' cooperation to gain the maximum benefits from the limited resources, along with reconsidering missions of low significance, or those that are inessential or inconsonant, or missions that generate unnecessary general debts to be postponed, reduced, or repealed. The budgets should be spent for the urgent and important missions that are worthwhile and gain the maximum benefits for the people.

Highlights of the Fiscal Year 2018 Budget

Honourable President,

The Draft Bill on Annual Budget Expenditures for Fiscal Year 2018 proposed by the Cabinet to the honourable members is totalling of 2,900,000 million baht. It is classified into current expenditures of 2,153,133.7 million baht or 74.2 per cent of the total budget, capital expenditures of 659,924 million baht or 22.8 per cent of the total budget, and principal repayments of 86,942.3 million baht or 3 per cent of the total budget. The essence of the FY 2018 budget will be clarified into two categories as follows:

1. Budget Expenditures for FY 2018 Classified by Budget Allocation Strategy

The FY 2018 Budget Allocation has been set into six strategies which are detailed as follows:

Strategy 1: National Security

The government has allocated budget expenditures of 273,954 million baht or 9.5 per cent of the total budget for the purposes of strengthening the security of national main institutions; creating harmony and reconciliation; resolving the problems in the southern border provinces; resolving alien workers and human trafficking problems; preventing, suppressing, and treating drug addiction; supporting international relations

regarding security, maintaining internal peace, and strengthening national defence capability.

Strategy 2: Creating National Competitiveness

The government has allocated budget expenditures of 476,596.6 million baht or 16.4 per cent of the total budget for the purposes of developing competitive industries, promoting Small and Medium-Sized Enterprises (SMEs); developing Special Economic Zones (SEZs); establishing an Eastern Economic Corridor (EEC); improving transportation and logistics systems; developing the digital economy, research, and innovations; generating income from tourism and the services sector; improving trading competitiveness and international investments; strengthening and sustaining the domestic economy; increasing the financial administration efficiency; enhancing the potentiality of sciences, technologies and innovation; developing effectiveness and value addition of the production, service, trading, and investment sectors; developing and upgrading labour productivity; enhancing foreign collaboration; and creating and maintaining the national interests.

Strategy 3: Developing and Increasing Human Potential

The government has allocated budget expenditures of 575,709.8 million baht or 19.9 per cent of the total budget for raising the quality of life of all age groups; improving the quality of education and life-long learning; developing the public health sector and proactive health promotion; supporting and developing sports and recreation; and promoting and developing religions, arts and cultures.

Strategy 4: Resolving Poverty Problems, Lessening Inequality, and Creating Internal Growth

The government has allocated budget expenditures of 332,584.8 million baht or 11.5 per cent of the total budget for the purposes of improving the grassroots economy and strong communities; establishing health insurance systems; creating equality to accommodate an aging society; encouraging operations following His Majesty King Bhumibol Adulyadej's Sufficiency Economy Philosophy, and reinforcing social welfare and improving quality of life.

Strategy 5: Managing Water and Creating Growth Based on Sustainably Environmental-Friendly Quality of Life

The government has allocated budget expenditures of 125,459.4 million baht or 4.3 per cent of the total budget for the purposes of solving farmland problems; managing waste and the environment; developing and increasing green energy usage efficiency; managing water resources; preserving, rehabilitating, and protecting natural resources as well as dealing with effects from climate change and natural disasters.

Strategy 6: Balancing and Developing Public Management System

The government has allocated budget expenditures of 784,210.1 million baht or 27 per cent of the total budget for the purposes of preventing and suppressing corruption and unlawful behaviours; reforming legislation and improving judicial administration; facilitating businesses; promoting decentralisation to Local Administrative Organisations; supporting integrated development of provinces and clusters of provinces; managing

government revenues and expenditures as well as developing the efficiency of public administration.

Expenditures on General Administration

The government has allocated budget expenditures of 331,485.3 million baht or 11.4 per cent of the total budget for the purposes of handling contingencies, emergencies, or necessities and managing public debts.

2. Budget Expenditures for FY 2018 Classified by Groups of Expenditures

To be consistent with the annual budget expenditure reform, the structure of the annual budget expenditures for FY 2018 has been adjusted and classified into these following six groups.

2.1 Central Fund The government has allocated budget expenditures of 76,566.3 million baht or 2.6 per cent of the total budget (excluding medical treatment expenses for government officers, government employees, and public officers of 63,000 million baht, which are included in the integrated budget expenditure group and personnel expenses in the budget expenditures for public sector personnel group at 254,759.7 million baht), for the purposes of supporting royal duties during royal excursions; promoting and disseminating royal development projects; and reserving budgets for resolving emergency or urgent situations for the public sector, state enterprises, and other sectors to spend rapidly and efficiently in rehabilitating, assisting, and remedying victims as well as compensating for construction costs in order to help building contractors.

2.2 Group of Budget Expenditures for the Public Sector

Personnel The government has allocated budget expenditures of 1,021,506.3 million baht or 35.2 per cent of the total budget to effectively administrate the public sector personnel and ensure the maximum value in public operations; improve the working system of government agencies and increase the performance of personnel to work nobly and virtuously with balanced living; these expenditures are provided to the public sector persons according to their rights and legal entitlements .

2.3 Group of Budget Expenditures for Ministries/Agencies

(Function) The government has allocated budget expenditures of 585,037.5 million baht or 20.2 per cent of the total budget that can be classified into two main programmes as follows:

2.3.1 Fundamental Programmes

Budget expenditures of 306,306.6 million baht are allocated for the normal functional expenses as stipulated by law in six major aspects as follows:

1) Security The royal institution of the monarchy and national security will be preserved and maintained. Both internal and external threats will be prevented and resolved. Knowledge and defensive technology will be developed to benefit defence industries. Military coordination mechanisms in resolving national security issues and international concerns with neighbouring countries, ally nations, and international organisations will be improved. Taking roles in peacekeeping under the United Nations and international platforms will be promoted. Security and safety in life and property will be strengthened. Money

laundering will be prevented and suppressed as well as improving financial crime investigating systems and monitoring.

2) National Competitiveness National competitiveness on economic issues will be constantly increased. The macro-economy will be managed to ensure stability. Revenues from state property administrations will be collected to achieve the targets. Regional economic coordination will be promoted as well as organising trading strategy policies and monitoring product prices. Fair trade and intellectual property rights will be promoted. Markets will be expanded as well as protecting international trading interests. Industrial competitiveness will be upgraded. Knowledge and quality of personnel will be improved. Manufacturers and hazardous substance establishments as well as primary industries and mines will be supervised to follow business practices according to the law. International coordination will be promoted to create and preserve national interests. Tourism plans and policies will be formulated. Tourist attractions will be restored and developed. Tourists will be assisted and fraud problems resolved. The tourism sector will be advertised, along with tourism businesses' promotion from international convention groups. The labour potential will be developed and increased to satisfy labour market demand. Formal and informal workers will be protected to get their rights, safety and health and sanitation in the workplace.

Moreover, expenditures allocated in this aspect also support agricultural productivity development including vegetation products, fisheries, livestock, and sericulture. Lands and agricultural areas will be managed and protected. Soil resources will be preserved, improved,

and rehabilitated for agriculturists. For the transportation sector, aims are to develop highway systems, rural roads, and rail transport to be sufficient and expanded. All transport systems and facilitating airports and aeronautical personnel will be connected to meet the global standards. Economic development will be promoted. Employment will be generated as well as distributing income and supporting people's security. Aims are also to promote the country's development through conveying science, technology, and innovative knowledge. Research and development will be supported as well as digital developments for the economy and society that are accessible and allow people to benefit from information technology services efficiently.

3) Human Potential Development and Reinforcement

Accessibility to educational service opportunities from primary education through to lifetime learning will be created throughout educational services and multiple learning centres. Persons talented in sciences and mathematics, visual arts, music, dancing arts, and sports will be supported no fewer than 10,000 persons. The educational administration for disabled and disadvantaged children will be supported. The education for disabled persons will be promoted and developed to cover the target group of more than 120,000 persons. Vocational education will be supported and developed systematically and continuously, including supporting personal educational aids for 1st-year vocational certificate students no fewer than 279,000 persons. All level education will be developed to reach the global standards for no fewer than 2,500 schools, including using distance learning via satellite together with information technology for multiple teaching developments which focus on quality assurance in education and higher

education standards for 80 universities and produce graduates no fewer than 1.2 million persons. Educational funds will be provided of no fewer than 6,500 fund establishments. Higher education will be supported to organise activities that benefit communities and society in the forms of academic services and the maintaining of religions, arts, and cultures.

For the public health sector in order to ensure people's health and quality medical and public health services provided, the effectiveness of medical treatment, health promotion, family self-care ability, and prevention of diseases and health hazard will be enhanced. Thai traditional medicine intellectual and herbal knowledge will be expanded together with consumer protection regarding health care products. Moreover, sports and recreation for children, disabled persons, and the general public will be supported along with providing sport academic services, supporting religious activities and arts and cultures, preserving and developing archaeological sites, antiques, and cultural heritages learning centres. Morality, virtue, and ethics will be promoted as well as supporting children, youths and the general public to understand religious principles for good lifestyles.

4) Poverty Problem Resolution, Inequality Reduction, and Internal Growth Creation Grassroots economy and community will be strengthened. Employment will be generated to provide income stability to the people. Supports will be given to people to ensure throughout fair and quality social welfare as well as their rights to be protected. Community organisation councils will take the role to develop localities in order to resolve and create strong community for 1,870 tambons including

supporting the national health insurance system development to provide a complete and fair health insurance system to the people. People will be provided with standard emergency medical services including observing the Sufficiency Economy Philosophy so that agriculturists, youths, and the general public obtain a better quality of life.

5) Water Management and Creation of Sustainable Growth on the Environmental-Friendly Quality of Life Land bank administration will be supported. Pollution will be managed following acceptable standards. Water resources in the existing irrigation areas of no less than 25 million rais will be managed to provide throughout and fair water distribution. Royal rainmaking and aviation services will be supported. Small water resources will be improved as well as enhancing the efficiency of water disaster warning database systems for at least 1,500 villages. Groundwater activities will be monitored as well as administering wastewater treatment systems. Natural resources in 1.5 million rais of mangrove forest areas, 73 million rais of conserved forests, and 74 million rais of reserved forest areas will be administered. Geological and mineral resource services will be provided. Bio-based economy will be developed. Botanical and biodiversity knowledge services will be provided. Rare wild species and endangered species will be conserved and bred. Participation in greenhouse gas activities are supported. Databases on coastal geomorphology will be established for the utilisation of coastal management as well as continuously monitoring and reporting of climate and weather conditions. National energy strategies will be driven while petroleum will be explored and produced. Energy businesses will be monitored and regulated to ensure quality, security and safety. People's title deed rights and issues will be fairly

protected as well as controlling buildings in city and community areas to ensure appropriate utilisation of the infrastructure.

6) Realignment for Balance and Development of Administrative System of the Public Sector Corruption problems in Thailand will be mitigated by creating awareness and values of uprightness and morality in all sectors. Matters of law will be improved and developed as well as increasing effective justice and law enforcement. Public services will be upgraded in line with international standards. Decentralisation of authority to the Local Administrative Organisations will be promoted to provide effective public services to the people. Budget management will be promoted and the bureaucratic system reformed to increase efficiency and agility. It includes supporting the administration of the parliament, courts, and independent public bodies as well as develops the efficiency of the public sector and to ensure transparency and fairness.

2.3.2 Strategic Programmes Budget expenditures of 278,730.9 million baht are allocated for functional expenses in order to accomplish the assigned policy responsibilities within a specified period of time that include:

1) National Major Institution Stability Reinforcement

The institutions of nation, religions, and monarchy must be maintained by upholding, protecting, preserving the monarchy from any offences, and making people aware of His Majesty's kindness and remaining loyal to the monarch. Royal initiative projects will be promoted, disseminated and put into practice while living with sufficiency will be encouraged.

2) Promotion of International Relations on Security

International relations and coordination will be established. Military relations with ASEAN member countries will be developed. The roles of the ASEAN community and peace operations under the UN framework will be promoted. It also includes protecting and resolving border areas problems to protect the national interests on security.

3) Maintenance of Internal Peace National benefits

and internal peace will be maintained. People will be protected as to their lives and property by supporting international coordination and the global community in security services and preparing for the protection from and solving of transnational crimes, terrorism, and all kinds of threats as well as enhancing the efficiency of domestic and foreign intelligences.

4) Strengthening National Defence Potentials National

defence potentials will be increased. National defensive systems will be strengthened and developed in order to be prepared for effective protection of independence, sovereignty, stability, and national interests from all kinds of threats as well as supporting country's development and promptly helping people when confronting with disasters.

5) Improvement of Public Financial Administrative

Capability Public financial potentials will be strengthened by developing performance evaluation system of state enterprises. Principles and good regulatory practices for 55 state enterprises will be revised. SME entrepreneurs will be supported through credit guarantee approval for those without security. Low-interest loans will be available to SME entrepreneurs.

Projects and measures to relieve farmers' troubles will be supported as well as compensating interests for farmers and farmer institution.

6) Development of Science, Technology, and Innovation Potentials Usage of technology, sciences, and innovations will be encouraged in order to develop and drive the country towards Thailand 4.0 by preparing infrastructures on sciences, technology, and innovations both in physical structures such as regional science parks, Thailand Earth Observation Satellite (THEOS-2), astronomical infrastructures, synchrotron light, nuclear technology, as well as the future innovation centre (Futurium); and administrative structures including management of information systems on water and agriculture, research and developments, and supporting of research and development derived from Thai traditional wisdom. Testing and calibration will be upgraded to attract attention and awareness from youths on sciences.

7) Development of Efficiency and Value Addition of the Production Service, Trade, and Investment Sector Production, services, trade and investments will be promoted by developing industrial areas (Zoning), creating knowledge on green industrial development to 1,500 environment-related enterprises, and at least 1,200 enterprises on social responsibilities; 2,100 community products will be extended to get standard certification. Modern information systems on industrial economy and industrial disaster warnings will be set up as well as informing industrial economic knowledge to upgrade industries effectively and sustainably. Thai identity products values will be added from innovations. Products, services, and weight and measure standards will be monitored to ensure qualified

standards and fairness to consumers. Thailand 4.0 will be supported by encouraging knowledge on intellectual property and creating Thailand trading brands. Entrepreneurs' potentials will be improved by intellectual property and innovations. Geographical indication products will be protected and promoted. Intellectual properties will be urged to register. Trade and investment connections between Thailand and ASEAN members will be established. International trade between partnerships in every region will be pushed forward. "Thailand: Kitchen of the World" will be developed and supported by introducing Thai and Halal cuisines through online media. Trade and economic indices will be prepared following international standards while intelligence trade economic information developed. Thai arts and handicraft product development will be promoted to preserve, extend commercially and enable market expansion, domestically and abroad. Moreover, quality standards and services in the gems and jewellery market will be upgraded to the world market.

8) Development and Upgrading of Labour Productivity

Industrial competitiveness will be increased by raising labour productivities in firms, training and testing labour skill standards. Occupational and industrial standards will be developed to meet international standards of 4,000 occupations. At least 413,000 persons will be guided and equipped with occupations. Urgent employments will be provided to relieve the unemployed who suffer from natural disasters for at least 19,900 persons. Security and occupational health in organisations will be encouraged and developed in at least 1,700 working places as well as promoting labour protections and rights according to the Social Security Act for at least 13 million persons.

9) Development of Foreign Cooperation, Creation and Protection of National Interests All dimensions of national interests will be protected and promoted at the bilateral, multilateral, sub-regional, and regional levels. The relationship equilibrium among Asian regions will be maintained. International trust in Thailand will be strengthened and maintained. Thailand's role on international stages will be reinforced. Good relationships among neighbouring countries and Southeast Asian countries will be boosted. The rights and interests of Thai nationals living abroad will also be protected. Workmanship will be developed to support Greater Mekong Sub-regional developments. The Sufficiency Economy Philosophy will be propagated to lead to sustainable development as well as supporting natural resources and environmental cooperation. In addition, international networks on medical wisdom and technology transfers will be supported.

10) Public Health Development and Proactive Health Enhancement Primary health services will be strengthened to provide holistic health services by increasing participation between health networks and communities. Emergency services and transfer systems will be developed as well as increasing health counselling accessibility. Health promotion and proactive health care will be improved systemically together with supporting health behavioural changes. Infectious diseases and emerging diseases will be monitored, prevented, and controlled. Thai traditional medicine and herbs will be expanded including supporting values adding to community economies. Medical research capacity will be enhanced. Medical personnel production will be developed and accelerated at least 14,700 persons and spread to rural areas of at least 1,000 persons. Operations of the Thai Red Cross Society and Chulabhorn Royal Academy

will be supported with respect to medical and public health services with quality and completeness.

11) Promotion and Development of Sports and Recreation Potential development and opportunity support for students, undergraduates, and athletes to enter national and international sport competitions will be improved while sports are developed to ensure excellence and professionalism by supporting sport sciences applications, standard training centres, trainers, and quality referees along with knowledge management and sport science innovations. Also included is organising sport conventions and international competitions to add value and promote the domestic economy.

12) Promotion and Development of Religions, Arts, and Culture Morals, virtues, and ethics will be supported in society for good behaviours and the love and respect of national major institutions. Twelve Values will be cultivated to children, youths, and the general public. Thai identities will be encouraged, supported, and propagated. Local wisdom, Thai arts and cultures, cultural heritages will be preserved, rehabilitated, and supported. Film and television industries' potentials will be developed as well as integrating working collaboration from all sectors in order to create social values and increase economic values in arts and cultures to promote Thainess at the international level.

13) Promotion of the Sufficiency Economy Philosophy Operations People will be supported to live securely and sufficiently. Communities in the thirty-nine royal project development areas will be strengthened. Results from the development of the thirty-three areas of

highlands along the royal project directions will be extended. Irrigated water resources and ground water resources for consumption will be developed. Lands will be preserved, rehabilitated, and developed to be suitable for agriculture. Knowledge and technology transfer regarding vegetation, fishery, livestock, and sericulture will be reinforced. Household accounting will be encouraged. Occupations for agriculturists who live on the highlands will be supported. Natural resources rehabilitation collaborations and biodiversity utilisation will be supported. Royal projects will be supported such as the Water Conservation Project for the Mother of the Land in 11 rivers as well as support of exhibitions of the Golden Jubilee Museum of Agriculture so that people can learn and apply the knowledge in their lives.

14) Reinforcement of Social Welfare and Quality of Life Improvement The quality of life of the elderly, children, women, disabled persons and disadvantaged persons will be improved, protected, and accessible to social welfare services. Potentials of helpless people, mendicants, highland people, and self-reliant communities will be developed and supported for at least 306,800 persons. The problems of 4,000 people who suffer from prostitution and gender inequality problems will be prevented, resolved, and reduced. At least 768,900 people who suffer from social grievances will be assisted. Community welfares of 500 Tambons will be supported. Urban slum problems will be solved so that people have their own residences and the rights in their lands for at least 25,800 families. Residential development projects for low and medium income people in 128 places will be supported as well as measures to reduce living expenses for people with respect to free public transportation by trains and buses.

15) Preservation, Rehabilitation, and Protection of Natural Resources Natural resources will be preserved, rehabilitated, utilised sustainably from biodiversity. Forest resource encroachment will be suppressed, prevented, and protected using integrated ground and air measures by monitoring from air to protect forest areas of at least 50 million rais. Roadblocks and forest rangers will be established. Denuded forests will be rehabilitated for at least 55,900 rais. In addition, 1.4 million rais of mangrove forests in critical areas will be protected. Roads and crossing bridges through wildlife sanctuaries will be constructed. Illegal fishing will be resolved. Coral resources and sea grasses will be rehabilitated as well as protection of coral resources in national parks for at least 48,200 rais. The one map for the public land will be improved for conserved forests and national reserved forests. Illegal ivory smuggling will be controlled. Mobile forest fire control units will be arranged. Economic forests plantations will be promoted for at least 54,600 rais. Underground resources for economic development will be provided. Natural resource and environmental cooperation networks will be encouraged. Endangered and threatened plant species will be preserved and rehabilitated. Zoos for ecotourism will be developed. Bio-based genetic resource lists will be provided as well as city plans for infrastructure development and as a support for green growth will be established.

16) Management of Effects from Climate Change and Disasters Greenhouse gas emission will be reduced and climate change alerts improved by creating cooperation on natural resources and environments at the area level of 76 provinces. Green consumption and production will be encouraged. Domestic carbon markets will be developed.

Social strengths will be improved to support climate change. Sustainable environmental city and eco-industry will be developed to become Low Carbon City. Coastal and bordering riverbank erosion problems will be resolved. Aeronautical meteorological equipment and devices will be allocated in order to monitor and give warning signal of climate disasters according to the standards set by the International Civil Aviation Organisation (ICAO) and the World Meteorological Organisation as well as preventing, rehabilitating, and curing those who suffer from natural disasters and public dangers.

17) Management of the Public Sector's Revenues and Expenditures Tax collection efficiency will be improved while trade facilitation through information technology will be enhanced in order to ensure tax revenue collection to meet the targets. Operations of the Government Fiscal Management Information System (GFMIS) will be enhanced and public financial information system developed to support local administration organisations as well as developing the effective budget management system to satisfy the government's strategic policies and targets, strategically integrated in all dimensions. Monitoring and evaluation systems that are able to evaluate outcomes and impacts according to the work/project plans will be developed.

18) Improvement of the Public Sector's Administration The bureaucratic system will be reformed to ensure efficiency and proactive administration by supporting and improving legislative processes and developing quality national development strategies so that public agencies operate with good management. All sectors will be effectively integrated.

Regional decentralisation will be supported as well as promoting districts as a general public administration centre. The police system will be reformed to become more effective, transparent, and without corruption and that the police perform duties with virtue, morality, discipline and good governance in the policy system will be encouraged.

2.4 Group of Integrated Budget Expenditures (Agenda) The government has allocated budget expenditures of 582,626.9 million baht or 20.1 per cent of the total budget to implement the following 26 main programmes:

1) Creation of Reconciliation and Unity The amount of 505.4 million baht will be allocated to create reconciliation and unity, reduce conflicts among individuals in the nation on the dimensions regarding economy, society, culture, and the environment to ensure those who have different perspectives can live together peacefully. Essential operations include encouraging participation of the civil society of at least 74,000 villages. Moreover, the people's participation will be supported by creating love, reconciliation, and social fairness in the society under the Sufficiency Economy Philosophy in every province. Solidarity, right understanding, values and patriotism conscious will be created. Thainess attitudes and the constitutional monarchy way of life will be cultivated.

2) Mobilisation of Problem Rectification of Southern Border Provinces The amount of 13,295.4 million baht will be allocated to support the remedy of southern border province problems in three southern border provinces and 4 districts of Songkhla Province including urban areas, communities, and targeted villages. National security will be strengthened

by continuing operations on increasing security effectiveness in lives and properties. Economic development and expansion will be improved to increase people's incomes. Justice administration operations will be improved as well as remedying thoroughly and fairly those affected. Area potentials will be developed. Quality of life of the people will be improved as well as developing education, supporting religions, arts and cultures, and local traditions under a strong multicultural society. Understanding of southern border province rectification will be reinforced in all sectors as well as increasing effectiveness on conflict remedy by peaceful means.

3) Management of Problems on Alien Workers and Human Trafficking The amount of 832.6 million baht will be allocated to manage and ensure legal employment of alien labour and their legal protection. The target groups including children, women, Thai workers, migrant workers, and fishery labourers will be protected from human trafficking. Essential operations include registering alien workers for legal employments for at least 909,000 persons, making records and issuing non-Thai identification cards for at least 133,000 persons. Database and policy mechanisms for human trafficking prevention implementation will be developed as well as creating understanding with related agencies and target groups in order to prevent people from being trapped by human trafficking for at least 1.6 million persons. Human trafficking victims will be assisted and equipped with occupational training so that they return safely to the society for at least 2,500 persons as well as monitoring and suppressing human trafficking problems throughout the country. Inspection of vessels and fishery labourers will be integrated 372 times including prosecutions

and confiscating the property of human trafficking offenders in at least 200 cases.

4) Prevention, Suppression, and Treatment of Drug Addiction The amount of 4,930 million baht will be allocated to protect lives and property of the people from narcotics by implementing essential operations including creating protection from narcotics to the risk groups, especially children and youths inside and outside schools for at least 7 million persons and labourers in the establishments of at least 1 million persons. Environments and narcotic prevention participation will be created for villages and communities with severe and medium levels of narcotic problems in at least 30,600 places throughout the country. Major dealers and offenders of narcotic litigations will be prosecuted in at least 62,000 cases. Cooperation among neighbouring countries and ASEAN member countries will be boosted to prevent and destroy drug production sources trafficking to the country. Drug addicts will be brought into the rehabilitation processes of at least 220,000 persons while monitoring and assisting all post-rehab people as well as supporting their occupational tools and equipment.

5) Development of Industries with Potentials The amount of 2,544 million baht will be allocated to upgrade productivity and increase potentials of establishments, workers, and entrepreneurs as well as strengthening competitiveness of basic industries of the country. Essential operations include upgrading the industrial sector to be consistent with future industrial trends for 10 target industries by using technology and innovations and management systems to reduce production costs. Labour productivity will be upgraded to support the future target industries to be

more effective and capable to work with multi-skill sets and to satisfy industrial demands for at least 110,000 persons. Vocational students on innovation technology will be produced and their skills improved. Occupational standards and professional qualifications will be established and reused in 11 professions. Standard industrial test centres for major potential industries will be established such as Automotive Research and Testing Center, Standard Battery Testing and Drive System Design Center as well as increasing the value of products to be consistent with market demands. Investments will be supported and suitable environments created to support new industries.

6) Promotion of Small and Medium-Sized Enterprises (SMEs) The amount of 3,825.1 million baht will be allocated to drive SMEs to upgrade their competitiveness to the international level and to be an important drive to the national economy of at least 90,000 million baht. Essential operations include creating and developing the Start Up businesses and High Value Startups, improving business incubation centres for the Innovative Startup development to be effective, assisting and developing general SME groups, groups with business problems, and potential groups to effectively succeed and raise productivity. It also includes supporting value-added product development, upgrading standards and services to access domestic and foreign markets as well as developing environments conducive to running businesses and supporting SMEs by improving databases and service providers to SMEs.

7) Development of Special Economic Zones (SEZs) The amount of 10,599.5 million baht will be allocated to organise economic

infrastructure systems, society, environments, and security including providing standard services to encourage entrepreneurs to invest in 10 Special Economic Zones, namely Tak, Mukdahan, Sa Kaeo, Trat, Songkhla, Nong Khai, Chiang Rai, Nakhon Phanom, Kanchanaburi, and Narathiwat in order to increase the value of investments and establishments which will lead to distribution of growth and reduction of inequality. Essential operations include necessary infrastructure development such as customhouses, border agricultural goods checkpoints, and industrial estates. Pipeline systems and city planning will be expanded. Workmanship will be developed. Investment information will be provided while publicized to people in the areas. Border trade activities will be organised. Work permit services will be provided at One-Stop Services for alien workers. Effectiveness in disease and emerging disease monitoring and control will be improved. Wildlife checkpoints will be developed by increasing inspection capacity. Woods and forest product imports will be controlled and provided; transportation infrastructures will be developed by preparing the border transportation centre in Nakhon Phanom Province and a goods transfer centre in Chiang Khong District. Mae Sot Airport will be constructed and renovated. Twelve highway routes will be constructed and expanded at least 250 kilometres and as well as 14 rural highways at least 140 kilometres

8) Development of Eastern Economic Corridor (EEC) The amount of 8,444.7 million baht will be allocated to develop the Eastern Economic Corridor areas including Chon Buri, Rayong, and Chachoengsao in order to bring together economic, social and environmental infrastructures that are efficient and sufficient to appeal to investors. Essential operations include establishing high-tech industrial districts and the office of Eastern

Economic Corridor Development. Investments will be publicised and promoted. Transportation and logistics systems connecting road transportation networks at least 270 kilometres will be developed. High-speed trains connecting Bangkok-Rayong will be constructed. Watercourses and the Chuk Samet Port areas will be improved. Taxiways, at U-Tapao International Airport will be additionally constructed. Water supply services will be improved and expanded thoroughly with standard quality. Formulation of principle city plans will be developed. Hospital infrastructures will be developed. Provincial police stations will be constructed, and security service system equipment will be provided. Environmental health management systems will be provided while occupation and environmental monitoring will be established to prevent diseases and health risks.

9) Development of Transport and Logistics Systems The amount of 113,735.3 million baht will be allocated to develop infrastructures of roads, rails, water, and air in order to connect and allow the regions to develop along with neighbouring countries. Management and personnel administration will be developed. Logistics costs will be reduced. Efficiency of infrastructure logistics will be increased. Essential operations include land ownership arrangement and construction of two motorways namely the Bang Pa-In–Saraburi–Nakhon Ratchasima route and the Bang Yai–Kanchanaburi route with the total distance of 300 kilometres. The budget for land ownership arrangement on the 110-kilometre Nakhon Pathom–Cha-Am route, highways, inter-country highways, and rural highways will be allocated. Land ownership arrangement for a 35-kilometre expressway, namely the Si Rat to Outer Ring Road route and the Rama III–Dao Khanong route, and Western Outer Ring Road route totalling 2,970 kilometres of road

ways and 195 bridges will be organised. Airports and major ports will be expanded to be the transshipment hub of the CLMV port. Inland container depots will be developed to facilitate trade. Double track railways connecting the economic corridor from East to West and South will connect to the One Belt, One Road initiative. Public transportation systems in major cities of the regions will be developed along with those in Bangkok and vicinity. Water infrastructures will be improved. Air transport infrastructures will be developed to reduce overcrowding. Airport capabilities will be upgraded as well as airport security problems resolved.

For logistics management, operational systems and personnel will be developed. Establishments will be boosted by providing industrial knowledge training. Trade, logistics between Thai and foreign providers will be promoted. The transportation by land, rail, and air will be regulated and developed to attain international standards. Thailand National Single Window (NSW) will be developed to connect and exchange information about imports-exports procedures and paperless logistics from government to individual businesses, businesses to businesses, and businesses to consumers with improved convenience.

10) Development of Digital Economy The amount of 4,470.6 million baht will be allocated to increase business capability and create social equality through digital technology. Essential operations include increasing accessibility and utilisation of technology and digital services by providing public Internet access to 10,000 communities. Working processes and public services will be effectively and constantly upgraded to the digital system. Business competitiveness will be increased

by using technology and digital innovations to increase added values to the national economy. IT and communication industries competitiveness will be developed. Electronic transactions will be developed. People and workers in every sector will be educated and equipped with skills regarding digital technology in order to move forward the economy with digital technology as well as creating confidence in using technology in domestic and foreign business running.

11) Research and Innovations The amount of 17,188.7 million baht will be allocated to support and encourage the use of research results and innovations in a concrete way focusing on satisfying the Super Cluster to resolve urgent problems of the country and increase the country's competitiveness. Essential operations include supporting research and innovations that increase the value of products and services to satisfy major target industries of the country. Research and innovations that resolve the problems of society, communities, security, environments, and quality of life will be encouraged as well as supporting basic research in order to create in-depth academic knowledge and in-depth applied research to resolve the problem of government agencies' operations to comply with relevant standards in at least 6,500 projects domestically and internationally. Research infrastructures, research quality standard development systems, and industrial standard systems will be developed as well as producing and developing research personnel that satisfy the country's demands and supporting scholarship students for at least 2,200 scholarships.

12) Generation of Revenue from Tourism and Services The amount of 8,712.2 million baht will be allocated to develop and increase

revenues from tourism and services of at least 2.7 trillion baht. Essential operations include proactive marketing to promote the images of tourist attractions that provide valuable experiences as well as creating tourists' confidence. Arrangements of conventions and exhibitions in the country will be encouraged. Thai Teaw Thai travelling balance will be encouraged in terms of areas and timing. Domestic and neighbouring country tourism networks will be promoted. Group tourist attractions will be developed to create sustainable value addition by considering identities and lifestyles of communities. Development of tourism will be creatively supported on a sector-by-sector basis. Food tourism will be supported as well as upgrading tourism product quality and standard services. Infrastructures, facilities, and security systems in tourist attractions will be improved. Rural highway networks for tourism will be constructed and improved for 241 kilometres. A complete system of tourism mechanism management will be developed at the policy level. Tourism personnel and entrepreneurs at all levels will be developed at least 12,300 persons.

13) Development of Agricultural Production Potentials The amount of 9,698.1 million baht will be allocated to support strong and sustainable agricultural production. Agriculturists will be the centre of development. Essential operations include increasing management efficiency of agricultural goods throughout the supply chain in order to increase the value of agricultural goods by at least 3 per cent. The potentials of agriculturists and agricultural institutions will be strengthened and self-sufficient according to the Sufficiency Economy Philosophy. Production cost reduction will be supported. Agricultural goods standards will be upgraded by using technology and innovations as well as encouraging

development of sustainable agricultural areas that focus on large-plot cultivation of at least 3,600 plots and organic farming of at least 360,000 rais. Areas unsuitable for cultivation will be adjusted following the Agri-Map of at least 300,000 rais. Agricultural production learning centres will be developed in at least 882 centres and upgrade agriculturists to be Smart Farmers for at least 100,000 persons. In addition, New Theory agriculture will be improved for at least 210,000 rais to provide better quality of life to agriculturists and increase their incomes by at least 5 per cent.

14) Enhancement of Competitiveness for International Trade and Investment The amount of 577.8 million baht will be allocated to expand trade and international investment cooperation to be effective in export and service competition. Growth rate of export values are targeted at 1 per cent. Essential operations include creating trade and investment partnerships among sub-regional, regional, and foreign countries. Understanding and utilisation of free trade agreements will be enhanced. Trading cooperation, investments under the Asia-Pacific Economic Cooperation and Greater Mekong Sub-region cooperation will be driven. High-potential businesses and services will be developed and promoted globally of at least 1,500 businesses. Entrepreneurs will be encouraged to enter the new economy of at least 30,000 entrepreneurs. Thailand will be geared towards being the gems and jewellery hub and international medical hub in at least 84 places throughout the country as well as making trade and investment databases and statistics.

15) Development of Human Potentials at Every Stage of Life The amount of 8,474.8 million baht will be allocated to develop the

potentials of the Thai people, create security in life, and create strengths and morality of Thai family life. Essential operations are as follows: Newborns and early childhood group – supporting allowances for newborns to 3-year-olds among needy families for at least 344,100 persons and breast milk feeding for appropriate child development. Students group – providing lunch for at least 573,400 students and supplementary food (milk) for at least 1.1 million students, preventing and resolving adolescent pregnancy problems, supporting moral communities driven through the integration of the home-temple-school effort for 3,000 communities to create a social safety net. Adolescent and undergraduate group – create non-formal educational opportunities for disadvantaged children and youths, reinforce the Children and Youth Councils in 8,780 places to be prepared for quality adult transition. Working age group – support and develop occupational skills for 3,200 disabled people. Elderly group – provide primary welfare for the elderly in difficult conditions for 15,000 persons including supporting traditional funeral expenses for at least 12,600 persons.

16) Improvement of Quality of Education and Life-Long Learning The amount of 92,820.8 million baht will be allocated to provide quality education for learners and to attain higher learning achievements. Essential operations include developing curricula and teaching processes that equips learners with the qualifications and learning skills for the 21st century. Integrated teaching systems on sciences, engineering, technology, and mathematics for at least 34,000 instructors will be enhanced. Thai language learning for unskilled primary school students in reading and writing for at least 235,000 students will be developed. Public-private collaboration in primary education and leadership development of

“Pracharath School” totalling 7,000 schools will be continued. Quality assurance systems in education and quality of learners will be developed. Learning processes and creative activities for at least 34,000 schools under every affiliation will be supported by reducing class hours and increasing learning hours. Dual Vocational Training (DVT), general education together with vocational education, will be supported for at least 60,000 students. Vocational teacher production for local development for at least 37,200 persons will be supported. English learning for communication (Boot Camp) will be provided for master teachers of at least 6,400 persons. Seventeen vocational education institutions will be supported for excellence in areas satisfying the target industries. Media and IT development for education will be supported to improve distance learning for at least 13,000 schools. Databases and educational information will be integrated to monitor school age population who are disadvantaged, uneducated, and dropping out to be educated to at least the lower secondary education level. Educational service accessibility will be created from early childhood education through lifetime. Fifteen years of basic education will be supported to school-age population for at least 11.2 million persons. Disadvantaged and disabled learners will receive basic education accessibility. Vocational education and capability development for at least 400,000 learners will be provided. Administrations for schools under every affiliation requiring special assistance and urgent development of at least 3,000 schools will be supported. Life-long learning centres that facilitate participation from all sectors for quality educational development will be supported by driving all-age education reform and development through regional and provincial education offices.

17) Development of Local Economy and Strong Communities The amount of 5,293.2 million baht will be allocated to strengthen community economies. People's incomes will be increased by adopting the Sufficiency Economy Philosophy to sustainably develop the communities. Essential operations are as follows: occupation will be generated for at least 520,000 persons. Occupational groups/community enterprises will be developed to strengthen their management competency. Opportunities will be created for at least 2.5 million persons, agricultural organisations and cooperatives to be able to access to low-interest funding sources. Debt problems will be resolved for at least 94,000 individuals and agriculturists. Product designs and community product packaging will be developed to attain acceptable standards for at least 7,300 products. Utilisation of sciences, technology, and innovations in product and quality development will be supported to increase value and gain acceptable quality. Business efficiency and skills will be developed for at least 6,600 community entrepreneurs as well as promoting marketing channel expansion and the Pracharath Market to stimulate community economies.

18) Development of Health Insurance System The amount of 207,099.6 million baht will be allocated to provide comprehensive and quality health insurance to the entire population. Economic problems arising from medical service expenses and inequality in the health insurance system will be reduced with essential operation as follows: For public health services of the health insurance system covering people from all sectors – provide services to 48.8 million members of the national health insurance system, 12.5 million members of the social security system and 4.5 million government civil servants, employees, and government employees of the

Civil Servant Medical Benefit Scheme. The national health insurance system has provided more new services that cover medical service charges for colorectal cancer screening, Emergency Claim Online (EMCO), Human Papilloma Virus vaccines (HPV) as well as increasing medical cost per head to 3,197.32 baht per person per year. Health care services and disease prevention for people in each group including 296,900 HIV/AIDS patients and at least 52,900 Chronic Renal Failure (CRF) patients will be provided. Chronic disease virulence control services will be provided for at least 2.9 million patients. Care will be provided to 193,200 dependent elderly. Additional primary health care services for family with family doctor at least 652,100 times will be provided as well as supporting expenses for increasing the efficiency of health care units and medical service charges for people with status and entitlement problems for at least 572,800 persons. In addition, standard emergency medical services will be increased to reduce and prevent loss of limbs or impairments of main organs of emergency patients to 1.5 million times. Administrative integration systems will be improved to increase efficiency and reduce inequality of the services by developing inspection and database systems to connect, exchange, and apply relevant information which leads to standard and equitable services.

19) Creation of Equality to Accommodate the Aging Society

The amount of 1,218.8 million baht will be allocated to support economic and social security and well-being of the elderly as well as to create a good environment for all groups of people living in support of the aging society. Essential operations are as follows: Economic and social security mechanisms will be developed to prepare people for the aging society for 60,000 persons. At least 700,000 persons will be encouraged to save.

Medical innovations and technology for elderly care will be promoted. At least 200,000 elderly persons will be able to access to health care innovative technology, and 73,000 persons to social protection systems. Life quality development centres and occupational promotion for the elderly will be increased by 400 places in order to prepare people to become the quality elderly. Environments will be adjusted to appropriately accommodate the aging society for at least 2,600 places. People of all age groups for 20,000 persons will be supported to access such environments and facilities.

20) Management of Land Use Problem The amount of 267.7 million baht will be allocated to enable people and destitute agriculturalists to receive their share of land realignment for dwellings in accordance with land allocation criteria for communities; career promotion and development; cooperative marketing, agricultural groups or other appropriate forms according to the Sufficiency Economy Principle. Infrastructure systems for living support will be developed. Attention will be given to the realignment of lands in forest areas, mangrove forest areas, the land reform zone, the self-help land settlements and the royal properties; occupation and marketing promotion and development in terms of communities with respect to fishery, livestock, cultivation, as well as agricultural co-operatives for self-sufficiency in relation to sustainable ecosystems. The targeted land realignment will be no less than 207,000 rais. Land will be allocated for the qualified needy no less than 239,100 rais, with people benefiting no fewer than 37,300 people.

21) Management of Waste and Environment The amount of 779 million baht will be allocated to manage solid waste, hazardous waste,

infectious waste, hazardous industrial waste, and environmental quality to satisfy specified standards. Essential operations are as follows: Solid waste reduction from its sources and waste reuse will be promoted of at least 5.3 million tonnes per year. Capacity for collection, transportation and disposal of garbage, solid waste, hazardous waste, and hazardous industrial waste will be increased and correctly managed of at least 12.6 million tonnes per year. Regulations and measures will be developed as well as strictly enforcing the law. Pollution control in pollution control zones of Bangkok and boundaries will be strengthened as well as resolving smog and forest fires problems in forest and cultivation areas of nine Northern provinces.

22) Development and Improvement in Energy Consumption

Friendly to the Environment The amount of 841.7 million baht will be allocated to support energy development according to the long-term energy integrated plans in five sectors: Power Development Plan, Energy Efficiency Plan, Alternative Energy Development Plan, Gas Plan, and Oil Plan. Essential operations are as follows: Energy infrastructure provision and development will be promoted together with related state enterprises energy. Emergency systems will be developed to create energy security of the country to ensure investment support and efficient use of energy by the people. Safety of entrepreneurs' operations will be monitored. Fuel oil price structure will be adjusted to reflect costs. Competition among energy industries will be encouraged to provide safe energy to the people at fair prices. Every form of renewable energy production and consumption will be supported by providing incentives to stimulate the private sector's investment, research and development on renewable energy production. In

addition, more energy conservation will be encouraged in industrial factories and communities throughout the country.

23) Management of Water Resources The amount of 64,462 million baht will be allocated to provide systematic and sustainable management of water resources. Essential operations are as follows: Clean water for consumption will be provided in every village and urban areas. Rural water supply resources in 1,500 places will be developed. Ground water resources will be developed as well as supporting drinking water for 657 schools and communities. Urban water supply areas will be extended. Quality water supplies for communities will be developed to ensure accessibility increase of at least 533,800 households. Water resources for agriculture and industry will be provided. Water resources in 890 places will be conserved, rehabilitated, and increased in quality. Irrigation areas of at least 306,800 rais will be extended as well as providing 230 million rais of royal rainmaking. Water network systems/river basins will be connected as well as water distribution systems constructed in at least 46,400 areas to ensure distribution of water resources to the agricultural areas throughout the country. Beneficial areas will be increased by at least 902,400 rais. Effects from flood problems in community areas, major economic areas, and agricultural areas will be reduced. Canals will be dredged to efficiently increase water drainage. Flood protection systems will be constructed to increase efficiency in water disaster alerts. Quality of water resources will be controlled to be at moderate levels throughout the country as well as controlling the salinity level not exceeding relevant agricultural standards. Watershed forest degradation of 60,000 rais will be conserved and

rehabilitated as well as evenly increasing the potentials of river basin management for 25 river basins.

24) Prevention and Suppression of Corruption and Misconduct The amount of 882 million baht will be allocated to reduce corruption problems in Thai society which will result in the Corruption Perceptions Index (CPI) higher than 44. Essential operations are as follows: Consciousness and values will be created among all sectors to be aware of morality and virtue as well as apply good governance in organisational administration. Effective corruption protection and suppression mechanisms will be developed. Laws will be strictly and fairly enforced and adjusted as well as providing opportunities for people's participation toward corruption suppression.

25) Law Reform and Development of Judicial Processes The amount of 837.7 million baht will be allocated to create people's confidence in justice administration. Essential operations are as follows: Assistance and service channels for legal matters and judicial processes will be developed. Law enforcement will be developed and adjusted to be consistent with current situations. Alternative judicial processes will be encouraged to provide accessibility to diversified forms of justice for people in order to reduce a backlog of court cases. Crime protection and suppression systems will be developed by applying innovations and high-technology as well as forensic science.; In addition, people will be assisted to access to justice processes conveniently, rapidly, equally and fairly.

26) Provision of Ease of Doing Business The amount of 290.2 million baht will be allocated to develop public administration systems

to facilitate businesses and the private sector. Essential operations are as follows: public service efficiency will be enhanced as well as adjusting operational processes. Business engagement services will be developed into digital systems such that services will be provided with convenient modernity and ease of access. Procedures and servicing periods will be reduced to satisfy businesses' and people's demands. Confidence in investment decision making of business persons will be created with the target rank of Thailand to be at least 35th in the Ease of Doing Business (EoDB) index of the 2019 World Bank, or an average score of at least 75 compared to the best ranking country from each category. People will be facilitated regarding Border Pass issuance via an electronic system. These operations will support the economic drive and efficiently increase the country's competitiveness.

2.5 Group of Budget Expenditures for Areas The government has allocated budget expenditures of 373,444.1 million baht or 12.9 per cent of the total budget to integrate work at the area level for three issues as follows:

1) Reinforcement and Sustainability of Domestic Economy

The amount of 84,412.1 million baht will be allocated to sustainably move ahead on economic reinforcement of the domestic economy at the regional level by utilising outstanding potentials of each region, which will affect equitable economic expansion and quality of life of the entire population sustainably. Essential operations are as follows: Outstanding identities of each area will be analysed including resolving urgent problems and fulfilling people's needs at the area levels; Project Formulation will be prepared by

integrating three dimensions that are strategic dimension, ministerial/institutional dimension, and area dimension to be integrated in every sector with an emphasis on public-private cooperation by engaging the private sector and the civil society and satisfying people's needs. Value chains that connect every sector from upstream, midstream, to downstream will be determined under the five following methods: (1) Industrial trade and investment potentials will be increased by focusing on trade route connection and expansion of investment from the individual area level to the regional level. (2) Potentials of the agricultural sector will be increased. Water resources/water distribution systems will be developed. Agricultural production potentials will be developed and their standards improved towards organic farming as well as increasing value by developing processed agricultural products. (3) Potentials in tourism and services sectors will be enhanced. Tourist attractions will be developed and connected in order to create income at the regional community levels by focusing on health and sport tourism, cultural tourism, and natural tourism. (4) Liveable cities for all groups of people will be developed, specialized medical care centres in the regions will be increased. Forest areas will be increased and rehabilitated as well as resolving natural disaster problems and solid waste residual problems. Assistance for low-income individuals and agriculturists will be supported to increase quality of life. (5) The Big Rock projects will be developed including increasing irrigation areas, developing herbal cities, developing and upgrading heritage site attractions, developing water supply systems to support industrial town expansion, resolving coastal erosion, and rehabilitating large-scale solid waste disposal areas.

2) Promotion of Decentralisation to the Local Administrative Organisations The amount of 263,400 million baht will be allocated to be consistent with the Decentralisation to Local Government Organisation Act B.E. 2542 (1999) and the amendments to support decentralising and aims to efficiently provide public services from Local Administrative Organisations to the people. Local Administrative Organisations will be encouraged to use more of their revenues with annual budget expenditures to execute local investment projects. Essential operations are as follows: Education aspect – educational provision for at least 1 million students under LAO schools and at least 933,000 children from child development centres will be supported. Dietary supplement (Milk) and lunch will be provided to at least 5.8 million school-age children. Infrastructure aspect – water drainage systems for 14 main roads in Bangkok will be constructed as well as constructing and improving 2,200 road routes and village water supply systems in 2,200 areas. Social aspect – the subsistence allowance for at least 8.3 million senior citizens will be provided as well as providing allowances for people with disabilities for at least 1.6 million persons. Environment aspect – solid waste disposal systems and water treatment systems will be supported in 52 areas. Administration aspect – Local Administrative Organisations will be encouraged to transparently administer with good governance as well as creating awareness on corruption prevention and suppression.

3) Promotion of Development of Provinces and Clusters of Provinces The amount of 25,631.9 million baht will be allocated to support area-based integrated implementation as an underlying principle in distributing development to all regions in the country and reduce inequality of area development. Each area will determine clear development on

strategies and directions which are consistent with the country's development strategies and directions. Essential operations are as follows: Provinces and clusters of provinces will be supported to implement the projects under the development plan for provinces and cluster of provinces that engage all sectors including the public sector, state enterprises, local administrative organisations, public agencies, and the private sector. Country strategy development will be linked using a "Value Chain" to indicate connection among programmes/projects from upstream, midstream, and downstream covering all dimensions with respect to economic, social, security, and natural resource and environment aspects.

2.6 Group of Budget Expenditures on Management of Public Debt The government has allocated budget expenditures of 260,818.9 million baht or 9 per cent of the total budget to repay the loan principal of 86,942.3 million baht and interests and fees of 173,876.6 million baht.

Honourable President and Members,

The main points of the Draft Bill on Annual Budget Expenditures for Fiscal Year 2018 as stated are the major guidelines of the country's budget expenditures. As you can see, from the details shown in the budget documents presented to the honourable President and members, the allocation of budget expenditures for Fiscal Year 2018 indicates intentions and endeavours of the government on planning and allocating budget expenditures with deliberation and transparency. We also give

priority on area integration among the public sector, provinces and cluster of provinces, and local administrative organisations by focusing on the needs of the people in the areas to resolve the problems of this country and the people, to support development distribution to the regions with continuity that is consistent with the intermediate-term and long-term master plans in allocating the country's limited resources to achieve maximum benefits, worthiness and designated goals.

I sincerely hope that the honourable President and members will support and approve the principles of this draft Bill so that the government can adhere to as the principle in expending the state budget worthily and transparently to achieve the greatest benefits to the country and the people.

Thank you.