



Strengthening Fiscal Discipline and Governance in Thailand

Thailand's Finance Minister, Ekniti Nitithanprapas, has emphasized that all government policies funded by public resources must demonstrate clear value for money, reflecting the administration's commitment to fiscal discipline and transparency. This stance follows Fitch Ratings' decision to downgrade Thailand's outlook from stable to negative, citing political uncertainties and growing fiscal risks. The Finance Ministry aims to reassure ratings agencies and investors by adhering to good governance principles, ensuring disclosures on project costs, expected benefits, and outcomes.

The government plans to keep the budget deficit below 3% of GDP, in line with recommendations from the Fiscal Policy Office, while maintaining fiscal stability and strengthening revenue-generating capacity without amending existing laws. The 2026 budget will be of similar size to 2025, with efforts to improve spending efficiency and prioritize initiatives that deliver "quick big wins." Policies such as the Khon La Khrueng Plus or Co-Payment Plus scheme will be designed with fiscal prudence, including digital training and financial literacy programs for small vendors to broaden the tax base and stimulate sustainable growth.

From a legal and governance perspective, this approach underscores the importance of fiscal transparency in policy formulation, medium-term fiscal frameworks, and administrative reforms to streamline regulatory processes, such as permits for investment projects. The Finance Ministry's focus on accountability, efficiency, and transparent assumptions provides a framework that aligns with international best practices, while also mitigating risks of non-compliance with fiscal responsibility standards. This legal and governance orientation is expected to support investor confidence, ensure regulatory predictability, and strengthen Thailand's long-term fiscal sustainability.