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**Monthly Economic Report (February 2018)**

“The Thai economy in February 2018 expanded continually particularly in the demand side as exports of goods expanded robustly and private consumption improved reflected by real VAT collection, passenger car sales, and import of consumption goods. For the supply side, the number of inbound foreign tourists continued to grow highly and Agricultural Production Index (API) increased continually.”

Mr. Warotai Kosolpisitkul, Deputy Director-General of the Fiscal Policy Office acting Fiscal Policy Advisor, revealed the economic report in February 2018 that “The Thai economy in February 2018 expanded continually particularly in the demand side as exports of goods expanded robustly and private consumption improved reflected by real VAT collection, passenger car sales, and import of consumption goods. For the supply side, the number of inbound foreign tourists continued to grow highly and Agricultural Production Index (API) increased continually.”

**Economic indicators on private consumption expenditures expanded well.**

Private Consumption Indicators	2017	2017				2018		
		Q1	Q2	Q3	Q4	Jan	Feb	YTD
Real Value Added Tax Collection (%yoy)	3.8	3.4	1.1	5.9	5.0	6.9	7.2	7.0
<i>%qoq_SA / %mom_SA</i>		2.2	1.1	1.7	-0.05	2.4	1.8	
Passenger Car Sales (%yoy)	23.7	38.7	13.9	11.2	33.9	27.3	10.9	18.0
<i>%qoq_SA / %mom_SA</i>		21.5	-0.5	0.5	10.3	0.6	-3.0	
Registration of new motorcycles (%yoy)	4.5	3.2	8.3	0.2	6.5	3.5	-5.3	-1.0
<i>%qoq_SA / %mom_SA</i>		2.7	4.2	-3.8	3.4	0.0	-2.4	
Import volume of consumption goods (%yoy)	4.7	0.3	3.2	5.3	10.0	15.8	8.9	12.4
<i>%qoq_SA / %mom_SA</i>		4.0	1.2	1.3	3.4	4.4	-4.9	
Farmers' real incomes (calculated by FPO)	3.0	14.3	16.6	-2.0	-7.8	-3.9	-7.6	-5.8
Consumer Confidence Index	64.0	64.2	64.4	62.4	65.2	67.0	66.1	66.6

Economic indicators on private investment continued to improve particularly in equipment and machinery sector supported by tax measures for domestic investment promotion.

Private Investment Indicators	2017	2017				2018		
		Q1	Q2	Q3	Q4	Jan	Feb	YTD
<b><u>Machinery and equipment sector</u></b>								
Commercial car sales (%yoy)	7.5	5.3	2.2	12.8	9.5	10.2	9.9	10.0
<i>%qoq_SA / %mom_SA</i>		7.3	2.0	3.2	-2.8	-0.8	4.6	
Import volume of capital goods (%yoy)	6.4	1.2	9.9	8.4	6.7	30.6	1.8	14.4
<i>%qoq_SA / %mom_SA</i>		2.6	1.2	2.1	0.3	1.0	7.8	
<b><u>Construction sector</u></b>								
Cement sales (%yoy)	1.3	0.5	-1.6	3.5	3.1	1.1	-0.4	0.3
<i>%qoq_SA / %mom_SA</i>		3.6	-4.3	0.9	3.1	-1.5	-0.9	
Construction Materials Price Index (CMI)	1.9	2.0	-1.0	3.0	3.6	2.8	2.9	2.8
Real estate tax collection (%yoy)	-0.9	-9.7	-8.4	12.3	3.1	23.8	10.3	16.6
<i>%qoq_SA / %mom_SA</i>		-3.0	3.7	6.3	-7.6	7.5	-1.6	

External demand as reflected by export values highly expanded for 12<sup>th</sup> consecutive month.

Main trading partners (16 countries) (Export shares 2016 >> 2017 )	2017	2017				2018		
		Q1	Q2	Q3	Q4	Jan	Feb	YTD
Exports to the world (%yoy)	9.9	4.9	10.9	12.0	11.7	17.6	10.3	13.8
1. China (11.0% >> 12.4%)	23.7	36.5	26.0	21.7	14.2	11.6	1.5	6.4
2. U.S.A. (11.0% >> 11.2%)	8.3	7.4	7.0	8.1	10.7	11.3	5.1	8.2
3. Japan (9.5% >> 9.4%)	8.9	-2.5	20.1	10.4	9.3	26.3	41.1	33.9
4. EU (9.3% >> 9.1%)	7.6	9.2	5.5	4.5	11.4	8.9	12.4	10.7
5. Australia (5.6% >> 5.3%)	3.5	-0.4	-2.0	0.3	17.4	18.7	18.2	18.4
6. Hong Kong (5.3% >> 5.2%)	7.3	6.3	13.0	7.7	2.8	15.9	-4.4	3.2
7. Vietnam (4.4% >> 4.9%)	23.7	23.4	26.0	25.9	20.3	44.5	3.3	22.4
8. Malaysia (4.5% >> 4.4%)	7.5	-3.6	7.5	10.4	16.5	27.0	7.1	16.9
9. Middle East (4.2% >> 3.8%)	-1.7	-19.7	4.6	5.1	6.9	11.0	9.7	10.3
10. Indonesia (3.8% >> 3.7%)	7.7	-9.3	22.1	2.4	19.7	21.8	24.2	23.0
11. Singapore (3.8% >> 3.5%)	0.7	-20.2	34.0	-0.1	-1.7	-9.5	-3.4	-6.9
12. Philippines (3.0% >> 2.9%)	8.6	0.6	6.2	8.6	18.9	20.6	17.2	18.9
13. Africa (2.9% >> 2.9%)	10.7	-0.4	2.9	19.4	20.8	37.0	14.4	24.9
14. India (2.4% >> 2.7%)	25.8	18.3	13.3	27.3	46.3	30.4	42.9	36.6

15. South Korea (1.9% >> 2.0%)	14.6	24.2	24.2	11.3	0.8	-0.3	4.5	2.1
16. Taiwan (1.6% >> 1.7%)	18.2	15.9	22.1	23.3	11.3	18.1	9.0	13.3
PS.ASEAN-9 (25.4% >> 25.2%)	8.9	0.0	15.0	9.6	11.7	16.0	11.4	13.7
PS.ASEAN-5 (15.1% >> 14.6%)	6.0	-8.9	17.2	5.3	13.1	14.3	11.4	12.9
PS.Indochina-4 (10.3% >> 10.6%)	13.1	15.3	11.8	16.2	9.9	18.4	11.4	14.8

Supply-side indicators were supported by the number of inbound foreign tourists and Agricultural Product Index (API) which highly expanded.

Supply Side Indicators	2017	2017				2018		
		Q1	Q2	Q3	Q4	Jan	Feb	YTD
Agricultural Production Index (%yoy)	6.7	3.9	18.4	11.9	-1.5	13.0	7.1	10.1
<i>%qoq_SA / %mom_SA</i>		-2.9	9.6	-2.5	-5.1	3.0	1.0	
Thai Industries Sentiment Index (TISI) (level)	86.3	87.0	85.5	85.2	87.3	91.0	89.9	90.5
Number of Inbound Foreign Tourists (%yoy)	8.8	2.1	8.3	6.4	19.5	10.9	19.3	15.0
<i>%qoq_SA / %mom_SA</i>		11.5	5.5	2.1	0.1	2.9	1.7	

Internal economic stabilities remained favourable and external economic stability remained robust.

Macroeconomic Stability Indicators	2017	2017				2018		
		Q1	Q2	Q3	Q4	Jan	Feb	YTD
<b><u>Internal Stability</u></b>								
Headline Inflation (%yoy)	0.7	1.3	0.1	0.4	0.9	0.7	0.4	0.6
Core Inflation (%yoy)	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.6
Unemployment rate (% of total labor force)	1.2	1.2	1.2	1.2	1.1	1.3	1.3	1.3
Public debt (% of GDP)	41.2	41.7	41.3	41.9	41.2	41.4	-	41.4
<b><u>External Stability</u></b>								
Current Account Balance (Billion USD)	49.3	15.0	7.8	13.8	12.7	5.2	-	5.2
International Reserves Position (Billion USD)	202.6	180.9	185.6	199.3	202.6	214.7	212.7	212.7
Net Forward (Billion USD)	36.7	26.6	30.8	31.2	36.7	34.8	36.1	36.1
International reserves to short term external debt (times)	3.3	3.3	3.4	3.3	3.3	3.3	-	3.3

Table 1: Monthly Economic Indicators

	2017	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	YTD
<b>External sector</b>																
- Dubai crude oil price (US\$/Barrel) /7	53.1	53.7	54.4	51.2	52.3	50.4	46.4	47.7	50.2	53.1	55.6	60.8	61.7	66.1	62.7	64.4
- Fed funds rate (%) /7	1.00-1.25	0.50-0.75	0.50-0.75	0.75-1.00	0.75-1.00	0.75-1.00	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25	1.00-1.25
<b>Fiscal sector</b>																
- Government expenditure (Billion baht) /1	2888.9	255.0	157.9	223.6	217.2	209.8	224.8	256.8	165.1	211.3	428.4	250.2	288.9	244.6	166.0	410.6
(%y-o-y) /1	0.1	-1.9	-1.7	-13.8	-2.9	10.8	-15.1	39.4	4.0	-2.1	-1.6	42.4	-19.3	-4.1	5.1	-0.6
- Budget expenditure (Billion baht) /1	2708.2	229.8	142.8	204.1	210.1	202.0	212.6	251.7	158.1	199.2	413.9	221.2	262.6	226.8	147.1	373.9
(%y-o-y) /1	2.3	-4.7	3.0	-9.1	-0.6	14.5	-15.2	42.9	5.9	-1.8	-2.0	49.0	-14.0	-1.3	3.0	0.4
- Current expenditure (Billion baht) /1	2332.5	211.1	113.8	153.0	188.3	171.2	181.8	227.0	126.5	149.2	381.7	202.1	226.8	200.4	119.0	319.4
(%y-o-y) /1	3.3	-4.4	4.5	-14.7	1.1	22.6	-14.0	47.5	6.5	-4.0	-3.3	59.5	-13.6	-5.1	4.6	-1.7
- Capital expenditure (Billion baht) /1	375.8	18.7	29.0	51.2	21.9	30.8	30.8	24.7	31.5	50.0	32.2	19.1	35.8	26.5	28.1	54.5
(%y-o-y) /1	-3.4	-7.2	-2.8	13.1	-13.2	-16.5	-21.7	11.2	3.5	5.4	17.0	-12.1	-16.4	41.6	-3.1	14.4
- Carry-over budget (Billion baht) /1	180.7	25.3	15.2	19.5	7.0	7.8	12.2	5.0	7.0	12.0	14.4	29.0	26.3	17.7	18.9	36.6
(%y-o-y) /1	-24.2	33.4	-30.9	44.1	-42.0	-39.7	-12.6	-37.4	-26.0	-7.3	11.2	6.2	-50.2	-29.8	24.4	-9.5
<b>Supply-side indicators</b>																
<b>Agricultural sector</b>																
- Agricultural Production Index (%y-o-y) /6	6.7	-8.3	2.2	22.8	33.9	12.1	10.7	16.3	16.1	5.0	-0.9	-6.2	6.8	13.0	7.1	10.1
- Agricultural Price Index (%y-o-y) /6	-2.7	15.0	12.1	7.7	2.4	-3.1	-5.8	-15.7	-16.4	-6.0	-2.3	-4.8	-10.5	-14.6	-13.6	-14.1
- Real farm income (%y-o-y) /14	3.0	3.2	12.6	31.2	36.7	9.9	5.4	-1.6	-2.7	-1.7	-3.7	-11.2	-4.8	-3.9	-7.6	-5.8
- New employment in agricultural sector(%y-o-y) /3	-0.1	-1.7	-4.4	0.8	7.0	6.3	4.5	0.6	-4.9	-0.7	-1.5	-2.9	-2.4	7.0	5.4	6.2
<b>Industrial sector</b>																
- Manufacturing Production Index (%y-o-y) /10	2.1	0.8	-1.7	0.7	-1.8	2.7	0.6	3.6	5.2	4.7	0.4	5.5	5.0	3.4	n.a.	3.4
- Import value of raw materials in USD (%y-o-y) /1	18.7	22.3	20.8	21.1	15.9	22.5	23.3	29.3	13.8	13.0	10.3	14.5	19.9	12.4	21.9	16.9
- Import volume of raw materials in USD (%y-o-y) /1	14.8	17.6	16.2	17.1	11.7	18.6	19.7	27.0	11.4	9.8	6.3	9.8	13.8	6.5	15.9	10.9
- Capacity utilization (%) /10	60.6	68.3	67.6	74.3	60.0	68.5	66.4	65.3	68.2	68.7	65.4	69.4	67.9	70.2	n.a.	70.2
- New employment in industrial sector(%y-o-y) /3	-4.1	-5.8	-1.0	-3.8	-11.4	-3.1	-3.9	-6.2	-1.5	-4.4	-7.6	0.8	0.2	-5.4	-3.7	-4.5
- Thai Industrial Sentiment Index (Index) /9	86.3	87.2	86.2	87.5	86.4	85.5	84.7	83.9	85.0	86.7	85.9	87.0	89.1	91.0	89.9	90.5
<b>Service sector</b>																
- No. of foreign tourists (Million persons) /11	35.4	3.2	3.0	3.0	2.8	2.6	2.7	3.1	3.1	2.6	2.7	3.0	3.5	3.5	3.6	7.1
(%y-o-y) /14	8.8	6.5	-3.2	2.0	7.0	4.6	11.4	4.8	8.7	5.7	20.9	23.2	15.5	10.9	19.3	15.0
- New employment in service sector(%y-o-y) /3	0.8	2.0	2.4	0.6	1.6	-0.4	-0.4	0.3	-0.6	-1.0	2.0	2.2	0.7	-2.3	-1.7	-2.0
<b>Demand-side indicators</b>																
<b>Private consumption indicators</b>																
- Value added tax at constant price (%y-o-y) /1	3.8	1.9	3.4	5.0	-2.6	7.6	-1.1	1.0	14.7	2.0	7.6	1.6	4.8	6.9	7.2	7.0
- Import volume of consumer goods in USD (%y-o-y) /1	4.7	4.0	1.7	-4.1	-2.8	10.1	2.1	1.6	6.0	8.4	6.1	11.9	11.9	15.8	8.9	12.4
- Sales of passenger cars (%y-o-y) /14	23.7	23.5	49.8	40.9	23.2	4.4	15.6	10.0	8.5	14.9	24.3	34.9	40.7	27.3	10.9	18.0
- Sales of motorcycles (%y-o-y) /13	4.5	-6.2	14.9	3.0	16.3	15.4	-2.6	8.1	-5.2	-0.7	6.6	10.7	1.9	3.5	-5.3	-1.0
- Consumer Confidence Index (Index) /5	64.0	63.1	64.3	65.1	65.4	64.3	63.4	62.2	62.4	62.5	64.1	65.2	66.2	67.0	66.1	66.6
<b>Private investment indicators</b>																
- Import volume of capital goods in USD (%y-o-y) /1	16.1	-22.4	20.4	9.7	8.5	14.0	7.2	8.3	5.5	11.4	5.5	10.1	4.5	30.6	1.8	14.4
- Sales of commercial cars (%y-o-y) /14	7.5	4.5	6.3	5.0	10.1	-1.7	-0.5	5.8	5.8	26.6	6.1	12.5	9.5	10.2	9.9	10.0
- Total taxes collected from real estate transaction (%y-o-y) /1	-0.9	-12.3	-10.0	-8.0	-50.3	44.6	21.1	24.1	2.3	13.3	5.5	5.4	0.0	23.8	10.3	16.6
- Domestic cement sales (%y-o-y) /2	1.3	2.0	-0.1	-0.3	-0.9	-5.1	1.3	-0.5	6.1	4.9	-0.4	6.4	3.4	1.1	-0.4	0.3
<b>International trade indicators</b>																
- Exports (Billion USD): custom basis	236.7	17.1	18.5	20.9	16.9	19.9	20.3	18.9	21.2	21.8	20.1	21.4	19.7	20.1	20.4	40.5
(%y-o-y) /4	9.9	9.0	-2.7	9.0	8.0	12.7	11.7	10.5	13.2	12.2	13.1	13.4	8.6	17.6	10.3	13.8
- Export price (%y-o-y) /4	3.6	3.7	4.2	3.3	3.3	2.7	2.3	2.5	3.6	4.2	4.0	4.5	4.4	4.8	4.5	4.6
- Export volume (%y-o-y) /14	6.1	5.1	-6.7	5.4	4.6	9.8	9.2	7.7	9.3	7.7	8.7	8.4	4.0	12.2	5.5	8.7
- Imports (Billion USD): custom basis	222.8	16.3	16.9	19.3	16.8	19.0	18.4	19.0	19.1	18.5	19.9	19.7	20.0	20.2	19.6	39.8
(%y-o-y) /4	14.7	5.1	20.4	19.2	13.3	18.3	13.7	18.5	14.9	9.7	13.5	13.7	16.6	24.3	16.0	20.1
- Import price (%y-o-y) /4	5.5	8.3	8.9	7.0	6.2	4.4	3.0	3.3	3.7	4.5	4.4	6.4	6.6	6.7	6.2	6.5
- Import volume (%y-o-y) /14	8.7	-3.0	10.5	11.4	6.7	13.3	10.5	14.6	10.9	5.0	8.7	6.9	9.4	16.4	9.2	12.8
- Trade balance (Billion USD): custom basis /4	13.9	0.8	1.6	1.6	0.1	0.9	1.9	-0.2	2.1	3.4	0.2	1.8	-0.3	-0.1	0.8	0.7
<b>External economic stability</b>																
- Average exchange rate (Baht/USD) /2	31.4	35.2	34.9	34.5	34.6	34.1	34.0	33.3	33.2	33.4	33.2	32.6	32.7	31.4	31.5	31.4
- Current account (Billion USD) /2	49.3	5.3	6.0	3.7	2.7	1.0	4.2	2.8	4.7	6.3	3.5	5.3	3.9	5.2	-	5.2
- International reserves (Billion USD) /2	202.6	179.2	183.0	180.9	184.5	184.1	185.6	190.4	196.9	199.3	200.5	203.1	202.6	214.7	212.7	212.7
- Net Forward Position (Billion USD) /2	36.7	23.6	22.9	26.6	27.4	30.8	31.3	30.8	30.9	31.2	30.3	33.0	36.7	34.8	36.1	36.1
<b>Internal economic stability</b>																
- Unemployment rate (%) /3	1.2	1.2	1.1	1.3	1.2	1.3	1.1	1.2	1.1	1.2	1.3	1.1	1.0	1.3	1.3	1.3
- Producer Price Index (%yoy) /4	0.7	3.1	3.9	2.6	1.7	-0.2	-0.1	-1.3	-0.6	0.5	0.1	0.5	-0.6	-1.1	-1.9	-1.5
- Headline inflation (%yoy) /4	0.7	1.6	1.4	0.8	0.4	0.0	-0.1	0.2	0.3	0.9	0.9	1.0	0.8	0.7	0.4	0.6
- Core inflation (%yoy) /4	0.6	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
- Public debt to GDP (%) /1	41.8	41.5	41.5	41.7	42.2	42.6	41.3	41.4	41.5	41.9	41.3	41.2	41.2	41.4	-	41.4
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