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Monthly Economic Report (May 2018)

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Mr. Pornchai Thiraveja, Financial Policy Advisory of the Fiscal Policy Office as Spokesperson of the Fiscal Policy Office, and Mr. Soraphol Tulayasathien, Executive Director of Macroeconomic Policy Bureau revealed the economic report in May 2018 that “The Thai economy in May 2018 improved continually as reflected by exports of goods, and tourism sector which expanded well. Meanwhile, the private investment showed recovering signs. In addition, farmers’ real income expanded by 9.0% per year, the highest in 13 months, resulting in higher expectation of private consumption in the future.”

Economic indicators on private consumption expenditures in May 2018 continually improved.

Private Consumption Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
Real Value Added Tax Collection (%yoy)	3.8	3.4	1.1	5.9	4.6	4.2	-1.6	7.0	3.0	4.5
<i>%qoq_SA / %mom_SA</i>		2.0	1.3	1.6	-0.3	1.4	-6.5	4.4	1.6	-
Passenger Car Sales (%yoy)	23.7	38.7	13.9	11.2	33.9	12.1	3.8	17.2	26.8	16.0
<i>%qoq_SA / %mom_SA</i>		20.9	-0.1	0.7	10.3	0.5	-1.6	5.0	2.2	-
Registration of new motorcycles (%yoy)	4.5	3.2	8.3	0.2	6.5	-1.7	-2.9	-3.1	-12.0	-4.4
<i>%qoq_SA / %mom_SA</i>		3.0	4.2	-3.6	2.8	-4.9	0.1	5.1	-5.3	-
Import volume of consumption goods (%yoy)	4.7	0.2	3.2	5.3	10.0	7.4	-1.8	17.5	7.7	9.3
<i>%qoq_SA / %mom_SA</i>		3.5	1.8	1.4	3.1	0.6	-2.4	7.2	0.6	-
Farmers’ real incomes (calculated by FPO)	3.0	14.2	14.8	-2.6	-7.2	-4.7	-3.2	7.8	9.0	-0.3
Consumer Confidence Index	64.0	64.2	64.4	62.4	65.2	66.6	66.8	67.8	66.9	66.9

Economic indicators on private investment in May 2018 showed recovering signs in both equipment and machinery and construction sectors.

Private Investment Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
<u>Machinery and equipment sector</u>										
Commercial car sales (%yoy)	7.5	5.3	2.2	12.8	9.5	13.0	17.5	30.6	28.6	19.2
<i>%qoq_SA / %mom_SA</i>		5.2	3.2	2.8	-1.4	7.5	6.8	6.9	-1.4	-
Import volume of capital goods (%yoy)	6.3	1.2	9.8	8.4	6.2	8.9	-1.0	3.5	7.3	7.5
<i>%qoq_SA / %mom_SA</i>		1.7	1.8	2.0	0.5	4.1	-7.1	1.8	6.5	-
<u>Construction sector</u>										
Cement sales (%yoy)	1.3	0.5	-1.6	3.5	3.1	1.6	3.8	0.0	8.1	2.6
<i>%qoq_SA / %mom_SA</i>		3.6	-4.3	0.9	3.1	9.9	2.3	-3.6	1.9	-
Construction Materials Price Index (CMI)	1.9	2.0	-1.0	3.0	3.6	2.8	2.7	2.7	3.8	3.0
Real estate tax collection (%yoy)	-0.9	-9.7	-8.4	12.3	3.1	14.8	4.3	25.2	9.1	15.4
<i>%qoq_SA / %mom_SA</i>		-3.8	4.5	6.8	-4.3	7.6	-1.1	2.8	-0.1	-

External demand as reflected by export values in May 2018 were 22.3 billion USD expanding for 15th consecutive month at 11.4 percent per year.

Main trading partners (16 countries)	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
(Export shares 2016 >> 2017)										
Exports to the world (%yoy)	9.9	4.8	10.7	12.3	11.6	11.3	7.0	12.4	11.4	11.6
1. China (11.0% >> 12.4%)	24.0	37.0	26.6	22.0	14.1	0.3	-9.3	19.1	14.7	6.6
2. U.S.A. (11.0% >> 11.2%)	8.5	7.6	7.2	8.3	10.7	9.0	10.8	9.4	3.9	7.9
3. Japan (9.5% >> 9.4%)	7.7	-3.6	16.4	10.4	9.1	24.9	7.2	16.0	11.6	20.3
4. EU (9.3% >> 9.1%)	8.1	8.7	5.5	6.8	11.3	10.5	8.7	18.5	10.0	11.8
5. Australia (5.6% >> 5.3%)	3.5	-0.5	-2.0	0.3	17.4	13.8	6.2	17.0	20.9	15.9
6. Hong Kong (5.3% >> 5.2%)	7.2	5.9	13.1	7.7	2.8	1.7	-2.5	13.6	2.2	3.6
7. Vietnam (4.4% >> 4.9%)	22.9	23.4	25.7	25.8	17.7	18.6	12.8	11.5	2.4	13.4
8. Malaysia (4.5% >> 4.4%)	7.4	-3.7	7.4	10.0	16.5	15.5	13.1	9.7	22.3	15.8
9. Middle East (4.2% >> 3.8%)	-1.8	-19.9	4.6	5.0	7.1	10.7	10.3	-5.1	-14.1	2.0
10. Indonesia (3.8% >> 3.7%)	8.2	-7.7	21.4	2.6	20.2	18.3	14.2	5.7	8.3	13.5
11. Singapore (3.8% >> 3.5%)	0.8	-20.2	34.2	-0.1	-1.9	12.1	49.4	-30.3	-5.9	-1.5

Main trading partners (16 countries) (Export shares 2016 >> 2017)	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
12. Philippines (3.0% >> 2.9%)	8.6	0.6	6.2	8.6	18.8	14.0	5.0	12.9	33.4	17.7
13. Africa (2.9% >> 2.9%)	10.9	0.3	3.3	19.7	20.3	20.7	15.2	19.5	21.6	20.6
14. India (2.4% >> 2.7%)	25.7	17.7	13.0	27.4	46.3	31.6	22.2	28.7	31.2	31.0
15. South Korea (1.9% >> 2.0%)	14.4	23.2	24.1	11.8	0.7	5.1	10.1	10.2	16.9	8.5
16. Taiwan (1.6% >> 1.7%)	19.0	16.4	22.7	24.9	11.9	11.0	8.6	-4.2	-3.8	4.4
PS.ASEAN-9 (25.4% >> 25.2%)	8.9	0.4	14.9	9.6	11.2	14.8	17.4	5.8	14.8	13.1
PS.ASEAN-5 (15.1% >> 14.6%)	6.1	-8.5	17.1	5.2	13.2	15.2	20.2	-2.4	12.9	11.2
PS.Indochina-4 (10.3% >> 10.6%)	12.9	15.6	11.7	16.3	8.9	14.3	13.7	19.2	17.3	15.8

Supply-side indicators were supported by Agricultural Product Index (API) which expanded well, while the number of inbound foreign tourists increased as well.

Supply Side Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
Agricultural Production Index (%yoy)	6.1	3.8	16.5	11.2	-0.9	8.5	6.6	19.9	16.0	12.3
%qoq_SA / %mom_SA		-2.8	7.6	-0.7	-4.8	7.1	7.8	15.1	-11.0	-
Thai Industries Sentiment Index (TISI) (level)	86.3	87.0	85.5	85.2	87.3	90.5	90.7	89.1	90.2	90.2
Number of Inbound Foreign Tourists (%yoy)	8.8	2.1	8.3	6.4	19.5	15.4	16.3	9.4	6.4	14.0
%qoq_SA / %mom_SA		10.6	5.9	2.3	0.3	5.8	1.4	-2.4	-2.8	-

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

Macroeconomic Stability Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Mar	Apr	May	YTD
<u>Internal Stability</u>										
Headline Inflation (%yoy)	0.7	1.3	0.1	0.4	0.9	0.6	0.8	1.1	1.5	0.9
Core Inflation (%yoy)	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.6	0.8	0.7
Unemployment rate (% of total labor force)	1.2	1.2	1.2	1.2	1.1	1.3	1.2	1.1	1.0	1.2
Public debt (% of GDP)	41.2	41.7	41.3	41.9	41.2	41.2	41.2	41.0	-	41.0
<u>External Stability</u>										
Current Account Balance (Billion USD)	49.3	15.0	7.8	13.8	12.7	17.1	5.8	1.4	-	18.5
International Reserves Position (Billion USD)	202.6	180.9	185.6	199.3	202.6	215.6	215.6	215.2	212.6	212.6
Net Forward (Billion USD)	36.7	26.6	30.8	31.2	36.7	35.8	35.8	34.2	33.4	33.4
International reserves to short term external debt (times)	3.3	3.3	3.4	3.3	3.3	3.5	3.5	3.6*	-	3.6*

Table 1: Monthly Economic Indicators

	2015	2016	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	Mar-18	Apr-18	May-18	YTD
External sector																					
- Dubai crude oil price (US\$/barrel) /7	51.0	83.0	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	63.3	62.9	66.6	74.1	66.6
- Fed funds rate (%) /7	0.25-0.50	0.50-0.75	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	1.50-1.75	1.50-1.75	1.75-2.00	1.75-2.00
Fiscal sector																					
- Government expenditure (Billion baht) /1	2364.4	2885.6	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	220.2	246.4	189.6	2,034.2
(%y-o-y) /1	7.4	9.0	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	-1.5	13.5	-9.6	0.1
- Budget expenditure (Billion baht) /1	2180.3	2647.4	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	198.9	236.6	172.4	1,879.6
(%y-o-y) /1	8.4	9.4	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	-2.6	12.6	-14.7	0.8
- Current expenditure (Billion baht) /1	1915.0	2258.4	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	159.7	211.3	142.7	1,643.8
(%y-o-y) /1	5.2	6.5	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	4.4	12.2	-16.6	1.4
- Capital expenditure (Billion baht) /1	265.3	389.0	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	39.1	25.3	29.7	235.8
(%y-o-y) /1	38.8	30.4	-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	-23.5	15.7	-3.7	-3.2
- Carry-over budget (Billion baht) /1	184.1	238.2	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	21.3	9.8	17.2	154.6
(%y-o-y) /1	-3.8	4.1	-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	9.6	38.8	120.8	-7.8
Supply-side indicators																					
Agricultural sector																					
- Agricultural Production Index (%y-o-y) /6	-4.8	-2.3	6.7	-8.8	5.2	30.7	30.9	9.7	7.7	14.4	15.6	5.3	-0.9	-6.0	7.3	15.3	6.0	6.6	19.9	16.0	12.3
- Agricultural Price Index (%y-o-y) /6	-5.9	3.5	-2.7	15.0	12.1	7.7	2.4	-3.1	-5.8	-15.7	-16.4	-6.0	-2.3	-4.9	-10.5	-14.7	-13.7	-8.5	-9.3	-4.9	-10.3
- Real farm income (%y-o-y) /14	-9.7	-0.1	3.0	2.6	15.9	39.5	33.7	7.5	2.6	-3.2	-3.1	-1.4	-3.7	-11.1	-4.4	-2.1	-8.7	-3.2	7.8	9.0	-0.3
- New employment in agricultural sector (%y-o-y) /3	-3.6	-4.4	-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	4.5	1.8	4.4	4.6
Industrial sector																					
- Manufacturing Production Index (%y-o-y) /10	0.3	1.6	2.5	1.0	-1.6	0.9	-1.6	3.0	1.0	4.0	5.6	5.3	1.0	6.3	5.8	4.7	4.6	3.2	3.1	n.a.	3.9
- Import value of raw materials in USD (%y-o-y) /1	-6.3	-2.4	18.7	22.6	21.2	20.6	15.9	21.6	23.3	29.3	13.7	13.0	10.6	14.5	20.2	12.1	21.6	15.3	15.7	9.2	14.5
- Import volume of raw materials in USD (%y-o-y) /1	-8.9	-2.3	14.8	17.9	16.6	16.6	11.7	17.7	19.8	27.0	11.2	9.8	0.4	9.8	14.1	6.2	3.1	9.1	10.3	4.7	6.7
- Capacity utilization (%) /10	64.7	60.0	60.6	67.8	67.2	73.9	59.4	68.0	66.0	64.9	67.9	68.4	65.2	69.1	67.8	70.5	70.5	76.3	60.9	n.a.	69.6
- New employment in industrial sector (%y-o-y) /3	0.7	-0.9	-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	-0.7	-0.9	0.7	2.0
- Thai Industrial Sentiment Index (Index) /9	85.8	90.8	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	90.7	89.1	90.2	90.2
Service sector																					
- No. of foreign tourists (Million persons) /11	29.9	32.6	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	3.5	3.1	2.8	16.5
(%y-o-y) /14	20.4	8.9	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	16.3	9.4	6.4	14.0
- New employment in service sector (%y-o-y) /3	2.0	1.6	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	-3.3	0.4	1.9	1.0
Demand-side indicators																					
Private consumption indicators																					
- Value added tax at constant price (%y-o-y) /1	1.3	1.4	3.8	1.9	3.4	-4.6	-2.6	7.6	-1.1	-3.6	14.7	2.0	7.6	-2.6	4.8	6.9	7.3	-1.6	7.0	3.0	4.5
- Import volume of consumer goods in USD (%y-o-y) /1	2.2	2.2	4.7	4.0	1.3	-4.0	-2.8	10.1	2.1	1.6	6.0	8.4	6.1	11.9	11.9	15.7	9.3	-1.8	17.5	7.7	9.3
- Sales of passenger cars (%y-o-y) /14	-19.1	-6.5	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	3.8	17.2	26.8	16.0
- Sales of motorcycles (%y-o-y) /13	-0.2	5.5	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	-2.9	-3.1	-12.0	-4.4
- Consumer Confidence Index (Index) /5	64.7	69.4	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	66.2	66.8	67.8	66.9	66.9
Private investment indicators																					
- Import volume of capital goods in USD (%y-o-y) /1	-2.2	-4.0	16.1	-22.3	20.5	9.7	8.5	13.9	7.2	8.2	5.4	11.4	4.8	9.2	4.5	30.4	1.8	-1.0	3.5	7.3	7.5
- Sales of commercial cars (%y-o-y) /14	-2.6	-2.0	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	17.5	30.6	28.6	19.2
- Total taxes collected from real estate transaction (%y-o-y) /1	8.7	-2.5	-0.9	-12.3	-10.0	-8.0	-50.3	44.6	21.1	24.1	2.3	13.3	5.5	5.4	-0.1	23.8	15.2	9.3	25.2	9.1	15.4
- Domestic cement sales (%y-o-y) /2	-0.4	-1.6	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	3.8	0.0	8.1	2.6
International trade indicators																					
- Exports (Billion USD): custom basis	214.4	215.3	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	22.4	18.9	22.3	104.0
(%y-o-y) /4	-5.8	0.5	9.9	8.9	-2.9	9.0	8.0	12.9	10.9	10.5	14.0	12.3	12.7	13.4	8.5	17.6	10.5	7.0	12.4	11.4	11.6
- Export price (%y-o-y) /4	-2.3	-0.1	3.6	3.7	3.3	3.3	3.3	2.5	2.3	2.5	4.0	4.2	4.0	4.8	4.4	4.8	4.7	4.8	4.7	4.7	4.7
- Export volume (%y-o-y) /14	-3.6	0.6	6.1	5.1	4.6	5.5	4.6	7.8	8.4	7.8	8.4	7.8	8.4	12.2	3.9	12.2	7.4	2.1	7.4	6.6	6.6
- Exports (Billion USD): non-custom basis	202.8	194.7	222.8	16.2	16.7	19.1	16.7	18.9	18.2	18.9	19.8	18.4	19.8	20.2	19.9	20.2	20.2	20.5	20.2	102.2	102.2
(%y-o-y) /4	-11.0	-3.9	14.7	4.9	12.5	18.1	12.5	17.9	12.9	17.9	13.2	9.4	13.2	24.5	16.1	24.5	21.3	6.8	21.3	16.6	16.6
- Import price (%y-o-y) /4	-10.8	-2.7	5.5	8.3	6.2	7.0	6.2	3.3	3.0	3.3	4.4	4.5	4.4	6.7	6.6	6.7	6.4	6.8	6.4	6.7	6.7
- Import volume (%y-o-y) /14	-0.2	-1.4	8.7	-3.2	5.9	10.4	5.9	14.1	9.6	14.1	8.4	4.7	8.4	16.7	9.0	16.7	14.0	3.5	14.0	9.3	9.3
- Trade balance (Billion USD): custom basis /4	11.7	20.7	13.9	0.9	1.7	1.8	0.2	1.1	1.9	-0.1	2.3	3.4	0.2	1.9	-0.2	-0.1	0.8	1.3	-1.3	1.2	1.9
External economic stability																					
- Average exchange rate (Baht/USD) /2	34.4	33.1	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	31.2	31.5	32.0	31.5
- Current account (Billion USD) /2	32.1	48.2	49.3	5.3	6.0	3.7	2.7	1.0	4.2	2.8	4.7	6.3	3.1	4.8	3.4	5.2	6.2	5.8	1.4	-	18.5
- International reserves (Billion USD) /2	156.5	171.9	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	215.6	215.2	212.6	212.6
- Net Forward Position (Billion USD) /2	11.7	25.8	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	35.8	34.2	33.4	33.4
Internal economic stability																					
- Unemployment rate (%) /3	0.9	1.0	1.2	1.2	1.1	1.3	1.2	1.3	1.1	1.2	1.1</										