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Monthly Economic Report (August 2018)

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Mr. Pornchai Thiraveja, Financial Policy Advisory as Spokesperson of the Fiscal Policy Office, and Mr. Soraphol Tulayasathien, Executive Director of Macroeconomic Policy Bureau revealed the economic report in August 2018 that “The Thai economy in August of 2018 expanded from private expenditures particularly private consumption which reflected by the expansion of passenger car sales and the registration of new motorcycles showing the first expansion in 7 months. In addition, Consumer Confidence Index (CCI) stood at 70.2 points, highest in 43 months. For the supply side, the Agricultural Production Index continued to expand. As a result, farmers’ real income expanded and supported domestic consumption”

Economic indicators on private consumption expenditures in August 2018 continually improved as shown by passenger car sales and registration of new motorcycles.

Private Consumption Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	2M/ Q3	Jul	Aug	YTD
Real Value Added Tax Collection (%yoy)	3.8	3.4	1.1	5.9	4.6	4.2	6.0	9.4	18.2	1.7	6.2
<i>%qoq_SA / %mom_SA</i>		2.1	0.7	2.0	-0.3	1.6	2.4	-	6.1	-2.4	-
Passenger Car Sales (%yoy)	23.7	38.7	13.9	11.2	33.9	12.1	23.6	24.3	21.4	27.2	19.5
<i>%qoq_SA / %mom_SA</i>		21.9	-1.2	1.4	9.9	1.4	9.3	-	-4.4	3.4	-
Registration of new motorcycles (%yoy)	4.5	3.2	8.3	0.2	6.5	-1.7	-5.8	0.1	-4.0	3.9	-2.9
<i>%qoq_SA / %mom_SA</i>		3.2	3.9	-3.4	2.7	-4.8	-0.3	-	2.0	2.1	-
Import volume of consumption goods (%yoy)	4.7	0.2	3.2	5.3	10.0	7.4	11.6	7.1	5.3	8.8	8.9
<i>%qoq_SA / %mom_SA</i>		4.2	0.9	1.7	3.1	1.3	5.2	-	-3.7	4.9	-

Private Consumption Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	2M/ Q3	Jul	Aug	YTD
Farmers' real incomes (calculated by FPO)	2.8	17.9	14.0	-3.1	-8.5	-2.5	5.3	3.6	3.7	3.4	1.4
Consumer Confidence Index	62.2	64.0	64.2	64.3	62.4	65.2	66.7	67.5	69.7	69.1	70.2

Economic indicators on private investment in August 2018 showed expanding sign the investment in equipment and machinery as reflected by commercial car sales. Meanwhile, the investment in construction showed expanding sign from domestic cement sales.

Private Investment Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	2M/ Q3	Jul	Aug	YTD
<u>Machinery and equipment sector</u>											
Commercial car sales (%yoy)	7.5	5.3	2.2	12.8	9.5	13.0	28.2	28.4	28.8	28.1	22.2
<i>%qoq_SA / %mom_SA</i>		6.4	0.9	4.0	-1.4	9.2	14.0	-	3.4	0.9	-
Import volume of capital goods (%yoy)	6.4	1.2	9.8	8.4	6.2	8.9	5.6	2.2	-0.8	5.2	6.0
<i>%qoq_SA / %mom_SA</i>		1.5	2.4	1.5	0.6	4.0	-0.2	-	-3.5	2.5	-
<u>Construction sector</u>											
Cement sales (%yoy)	1.3	0.5	-1.6	3.5	3.1	1.6	4.0	8.8	10.5	7.3	4.2
<i>%qoq_SA / %mom_SA</i>		2.9	-3.4	0.6	3.1	1.1	-0.8	-	4.3	1.1	-
Construction Materials Price Index (CMI)	1.9	2.0	-1.0	3.0	3.6	2.8	3.6	4.0	4.7	3.3	3.4
Real estate tax collection (%yoy)	-0.9	-9.5	-8.5	12.8	2.8	14.9	15.0	19.5	15.4	23.3	16.1
<i>%qoq_SA / %mom_SA</i>		-3.6	3.5	7.4	-4.1	7.8	3.6	-	-2.7	7.8	-

External demand as reflected by export values in August 2018 were 22.8 billion USD expanding for 18th consecutive month at 6.7 percent per year. Meanwhile, import values were 23.4 billion USD, expanding by 22.8 percent per year. As a result, trade balance in August 2018 showed a deficit of 588 million USD.

Main trading partners (16 countries)	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	2M/Q3	Jul	Aug	YTD
(Export shares 2016 >> 2017)											
Exports to the world (%yoy)	9.9	4.8	10.7	12.3	11.6	11.3	10.6	7.4	8.3	6.7	10.0
1. China (11.0% >> 12.4%)	24.0	37.0	26.6	22.0	14.1	0.3	15.1	2.9	3.5	2.3	6.3
2. U.S.A. (11.0% >> 11.2%)	8.5	7.6	7.2	8.3	10.7	9.0	6.6	-0.6	-1.9	0.6	5.5
3. Japan (9.5% >> 9.4%)	7.7	-3.6	16.4	10.4	9.1	24.9	11.2	13.2	11.7	14.6	16.7
4. EU (9.3% >> 9.1%)	8.1	8.7	5.5	6.8	11.3	10.5	11.1	1.8	9.0	-4.3	8.4
5. Australia (5.6% >> 5.3%)	3.5	-0.5	-2.0	0.3	17.4	13.8	10.3	6.5	2.3	10.1	10.6
6. Hong Kong (5.3% >> 5.2%)	7.2	5.9	13.1	7.7	2.8	1.7	9.8	11.3	11.6	11.0	6.9
7. Vietnam (4.4% >> 4.9%)	22.9	23.4	25.7	25.8	17.7	18.6	6.5	16.7	14.7	18.5	13.4
8. Malaysia (4.5% >> 4.4%)	7.4	-3.7	7.4	10.0	16.5	15.5	12.0	29.2	18.5	38.5	17.8
9. Middle East (4.2% >> 3.8%)	-1.8	-19.9	4.6	5.0	7.1	10.7	-10.4	-8.1	-9.4	-6.7	-2.3
10. Indonesia (3.8% >> 3.7%)	8.2	-7.7	21.4	2.6	20.2	18.3	7.8	20.6	29.2	13.0	14.7
11. Singapore (3.8% >> 3.5%)	0.8	-20.2	34.2	-0.1	-1.9	12.1	-7.6	40.2	19.5	63.8	10.7
12. Philippines (3.0% >> 2.9%)	8.6	0.6	6.2	8.6	18.8	14.0	22.9	37.2	44.9	30.4	23.3
13. Africa (2.9% >> 2.9%)	10.9	0.3	3.3	19.7	20.3	20.7	18.3	-2.1	1.9	-5.7	13.3
14. India (2.4% >> 2.7%)	25.7	17.7	13.0	27.4	46.3	31.6	27.0	19.1	15.0	22.7	26.6
15. South Korea (1.9% >> 2.0%)	14.4	23.2	24.1	11.8	0.7	5.1	10.7	-1.3	2.3	-4.7	5.6
16. Taiwan (1.6% >> 1.7%)	19.0	16.4	22.7	24.9	11.9	11.0	0.0	-7.8	-9.2	-6.4	1.7
PS.ASEAN-9 (25.4% >> 25.2%)	8.9	0.4	14.9	9.6	11.2	14.8	12.4	29.7	24.9	34.3	17.7
PS.ASEAN-5 (15.1% >> 14.6%)	6.1	-8.5	17.1	5.2	13.2	15.2	7.6	31.2	26.6	35.5	16.3
PS.Indochina-4 (10.3% >> 10.6%)	12.9	15.6	11.7	16.3	8.9	14.3	19.6	27.7	22.6	32.5	19.7

Supply-side indicators were supported by Agricultural Product Index (API) which expanded for the 9th consecutive month.

Supply Side Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	2M/ Q3	Jul	Aug	YTD
Agricultural Production Index (%yoy)	5.8	7.4	15.7	11.1	-2.2	11.3	13.2	7.0	5.8	8.1	11.1
%qoq_SA / %mom_SA		-2.6	4.9	-1.0	-3.6	11.4	6.0	-	2.5	1.5	-
Thai Industries Sentiment Index (TISI) (level)	86.3	87.0	85.5	85.2	87.3	90.7	90.3	92.3	93.2	92.5	90.1
Number of Inbound Foreign Tourists (%yoy)	8.8	2.1	8.3	6.4	19.5	15.4	9.1	2.9	2.8	3.0	9.9
%qoq_SA / %mom_SA		10.0	5.6	3.0	0.6	5.1	0.1	-	-9.4	1.8	-

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

Macroeconomic Stability Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
<u>Internal Stability</u>										
Headline Inflation (%yoy)	0.7	1.3	0.1	0.4	0.9	0.6	1.3	1.4	1.6	1.1
Core Inflation (%yoy)	0.6	0.7	0.5	0.5	0.6	0.6	0.8	0.8	0.8	0.7
Unemployment rate (% of total labor force)	1.2	1.2	1.2	1.2	1.1	1.2	1.1	1.0	1.0	1.1
Public debt (% of GDP)	41.2	41.7	41.3	41.9	41.2	41.2	41.0	40.9	-	40.9
<u>External Stability</u>										
Current Account Balance (Billion USD)	49.2	15.0	7.8	13.7	12.7	17.1	6.4	1.1	-	22.5
International Reserves Position (Billion USD)	202.5	180.9	185.5	199.3	202.6	214.3	206.8	205.5	204.5	204.3*
Net Forward (Billion USD)	36.7	26.7	31.3	31.2	36.4	35.8	33.0	32.5	32.3	32.3
International reserves to short term external debt (times)	3.3	3.3	3.3	3.2	3.3	3.4	3.4	3.5	-	3.5

*As of 14 September 2018

