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## Monthly Economic Report (September and the 3<sup>rd</sup> Quarter of 2018)

“The Thai economy in September and the 3<sup>rd</sup> quarter of 2018 expanded from domestic demand particularly private consumption which is reflected by the expansion of passenger car sales and real VAT collection. Meanwhile, external demand reflected by export values expanded continually. For the supply side, Agricultural Production Index and the number of inbound foreign tourists continued to expand. In addition, internal and external stabilities remained robust reflecting the resilient ability to risk from the volatilities in global economy. However, trade dispute between US and China, and the number of inbound tourists from China should be monitored closely.”

Mr. Pornchai Thiraveja, Financial Policy Advisor as Spokesperson of the Fiscal Policy Office, Mr. Warotai Kosolpisitkul, Fiscal Policy Advisor, and Mr. Soraphol Tulayasathien, Executive Director of Macroeconomic Policy Bureau revealed the economic report in September and the 3<sup>rd</sup> quarter of 2018 that “The Thai economy in September and the 3<sup>rd</sup> quarter of 2018 expanded from domestic demand particularly private consumption which reflected by the expansion of passenger car sales and real VAT collection. Meanwhile, external demand reflected by export values expanded continually. For the supply side, Agricultural Production Index and the number of inbound foreign tourists continued to expand. In addition, internal and external stabilities remained robust reflecting the resilient ability to risk from the volatilities in global economy. However, trade war between US and China, and the number of inbound tourists from China.”

Economic indicators on private consumption expenditures in September and the 3<sup>rd</sup> quarter of 2018 continually improved as shown by passenger car sales and real VAT collection.

Private Consumption Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
Real Value Added Tax Collection (%yoy)	3.8	3.4	1.1	5.9	4.6	4.1	6.0	6.6	1.7	0.8	5.6
<i>%qoq_SA / %mom_SA</i>		2.1	0.9	1.9	-0.2	1.5	2.6	2.5	-5.3	-7.6	-
Passenger Car Sales (%yoy)	23.7	38.7	13.9	11.2	33.9	12.1	23.6	21.2	27.2	15.6	19.0
<i>%qoq_SA / %mom_SA</i>		22.6	-1.8	2.0	9.2	2.2	8.6	0.1	3.1	-3.0	-
Registration of new motorcycles (%yoy)	4.5	3.2	8.3	0.2	6.5	-1.7	-5.8	-3.7	3.9	-	-3.8
<i>%qoq_SA / %mom_SA</i>		3.4	3.9	-3.5	2.6	-4.6	-0.3	-1.2	1.6	-9.6	-

Private Consumption Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
Import volume of consumption goods (%yoy)	4.7	0.2	3.2	5.3	10.0	7.4	11.6	6.1	8.8	4.0	8.4
<i>%qoq_SA / %mom_SA</i>		4.1	0.7	2.3	2.7	1.2	5.0	-2.7	4.7	-3.7	-
Farmers' real incomes (calculated by FPO)	3.7	18.1	14.8	-2.9	-6.6	-1.4	4.0	0.0	1.4	-5.0	-
Consumer Confidence Index	64.0	64.2	64.3	62.4	65.2	66.7	67.5	69.6	70.2	69.4	67.9

Economic indicators on private investment in September and the 3rd quarter of 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	Q3	Aug	Sep	YTD
<b><u>Machinery and equipment sector</u></b>											
Commercial car sales (%yoy)	7.5	5.3	2.2	12.8	9.5	13.0	28.2	22.8	28.1	13.5	21.1
<i>%qoq_SA / %mom_SA</i>		6.6	0.2	4.9	-1.8	9.5	12.9	1.5	1.2	3.9	-
Import volume of capital goods (%yoy)	6.4	1.2	9.8	8.4	6.2	8.9	5.6	-0.9	5.2	-6.9	4.4
<i>%qoq_SA / %mom_SA</i>		1.4	1.8	3.3	-0.6	3.9	-0.8	-3.2	2.3	-4.5	-
<b><u>Construction sector</u></b>											
Cement sales (%yoy)	1.3	0.5	-1.6	3.5	3.1	1.6	4.0	8.8	7.3	8.8	4.7
<i>%qoq_SA / %mom_SA</i>		2.6	-2.9	0.7	2.9	0.8	-0.3	5.4	1.4	0.2	-
Construction Materials Price Index (CMI)	1.9	2.0	-1.0	3.0	3.6	2.8	3.6	3.2	3.3	1.5	3.2
Real estate tax collection (%yoy)	-0.9	-9.7	-8.4	12.3	3.1	14.8	16.8	14.9	23.3	9.7	16.1
<i>%qoq_SA / %mom_SA</i>		-3.7	3.6	7.4	-4.1	7.6	5.2	6.0	9.4	-4.7	-

External demand as reflected by export values in September 2018 was 20.7 billion USD contracted by -5.2 percent per year. Meanwhile, import values were 20.2 billion USD. As a result, trade balance in September 2018 showed a surplus of 487 million USD.

Main trading partners (16 countries)	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
(Export shares 2016 >> 2017 )											
Exports to the world (%yoy)	9.9	4.8	10.7	12.3	11.6	11.3	10.6	3.0	6.7	-5.2	8.1
1. China (11.0% >> 12.4%)	24.0	37.0	26.6	22.0	14.1	0.3	15.1	-2.8	2.3	-14.1	3.8
2. U.S.A. (11.0% >> 11.2%)	8.5	7.6	7.2	8.3	10.7	9.0	6.6	0.0	0.6	1.2	5.0
3. Japan (9.5% >> 9.4%)	7.7	-3.6	16.4	10.4	9.1	24.9	11.2	8.7	14.6	0.2	14.7
4. EU (9.3% >> 9.1%)	8.1	8.7	5.5	6.8	11.3	10.5	11.1	2.5	-4.3	3.9	7.9
5. Australia (5.6% >> 5.3%)	3.5	-0.5	-2.0	0.3	17.4	13.8	10.3	-3.3	10.1	-19.3	6.5
6. Hong Kong (5.3% >> 5.2%)	7.2	5.9	13.1	7.7	2.8	1.7	9.8	2.7	11.0	-7.0	4.6
7. Vietnam (4.4% >> 4.9%)	22.9	23.4	25.7	25.8	17.7	18.6	6.5	13.1	18.5	6.5	12.5
8. Malaysia (4.5% >> 4.4%)	7.4	-3.7	7.4	10.0	16.5	15.5	12.0	19.3	38.5	0.5	15.7
9. Middle East (4.2% >> 3.8%)	-1.8	-19.9	4.6	5.0	7.1	10.7	-10.4	-5.4	-6.7	-0.5	-2.1
10. Indonesia (3.8% >> 3.7%)	8.2	-7.7	21.4	2.6	20.2	18.3	7.8	17.5	13.0	11.3	14.3
11. Singapore (3.8% >> 3.5%)	0.8	-20.2	34.2	-0.1	-1.9	12.1	-7.6	24.9	63.8	-6.5	8.9
12. Philippines (3.0% >> 2.9%)	8.6	0.6	6.2	8.6	18.8	14.0	22.9	23.3	30.4	-3.0	20.1
13. Africa (2.9% >> 2.9%)	10.9	0.3	3.3	19.7	20.3	20.7	18.3	4.1	-5.7	17.3	13.8
14. India (2.4% >> 2.7%)	25.7	17.7	13.0	27.4	46.3	31.6	27.0	13.8	22.7	3.8	23.8
15. South Korea (1.9% >> 2.0%)	14.4	23.2	24.1	11.8	0.7	5.1	10.7	2.1	-4.7	9.0	6.0
16. Taiwan (1.6% >> 1.7%)	19.0	16.4	22.7	24.9	11.9	11.0	0.0	-11.2	-6.4	-17.5	-0.6
PS.ASEAN-9 (25.4% >> 25.2%)	8.9	0.4	14.9	9.6	11.2	14.8	12.4	22.3	34.3	7.9	16.5
PS.ASEAN-5 (15.1% >> 14.6%)	6.1	-8.5	17.1	5.2	13.2	15.2	7.6	21.0	35.5	0.9	14.5
PS.Indochina-4 (10.3% >> 10.6%)	12.9	15.6	11.7	16.3	8.9	14.3	19.6	24.2	32.5	17.5	19.4

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

Supply Side Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
Agricultural Production Index (%yoy)	6.7	7.4	16.6	10.9	-0.2	12.8	11.7	4.8	5.9	2.1	10.0
%qoq_SA / %mom_SA		-2.7	4.5	0.5	-2.5	10.3	2.8	-4.8	0.5	-2.7	-
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 stability remained favourable and external economic stability remained robust.

Macroeconomic Stability Indicators	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Q2	Aug	Sep	YTD
<b>Internal Stability</b>										
Headline Inflation (%yoy)	0.7	1.3	0.1	0.4	0.9	1.3	1.5	1.6	1.3	1.1
Core Inflation (%yoy)	0.6	0.7	0.5	0.5	0.6	0.8	0.8	0.7	0.8	0.7
Unemployment rate (% of total labor force)	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.0	1.0	1.1
Public debt (% of GDP)	41.2	41.7	41.3	41.9	41.2	41.0	41.3*	41.3	-	41.3*
<b>External Stability</b>										
Current Account Balance (Billion USD)	47.9	15.0	7.8	13.7	12.7	4.1	-	0.8	-	23.3
International Reserves Position (Billion USD)	202.6	180.9	185.5	199.3	202.6	206.8	204.5	204.5	204.5	204.5
Net Forward (Billion USD)	36.7	26.6	31.3	31.2	36.7	33.0	31.9	32.3	31.9	31.9
International reserves to short term external debt (times)	2.9	3.2	3.3	3.1	2.9	3.1	-	3.2	-	3.2



