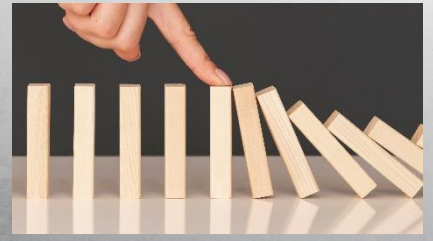
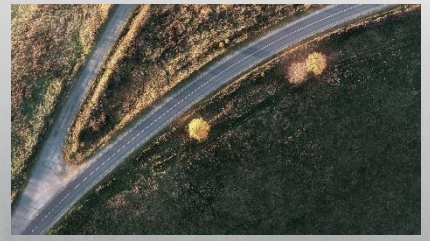
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# MONTHLY ECONOMIC BULLETIN

## SPECIAL EDITION

December 2023

Krungsri Research

# *2023 Recap: Thai economy grew at a slower pace amid political uncertainty; economic recovery is concentrated in the services sector*

- We estimate the Thai economy would expand by 2.5% in 2023, driven by a stronger recovery in the tourism sector and improving domestic spending. However, Thai exports weakened in 2023 along with a slowdown in the global economy amid high interest rates and rising geopolitical tensions. Also, political uncertainty and the delay in forming a government after the last general election also hurt sentiment, investment and public spending.
- Tourism was a key economic engine. Foreign tourist arrivals have been recovering since the end of the COVID-19 pandemic but the number of Chinese tourists traveling to Thailand has recovered much slower than expected. However, in late 2023, tourism received a boost from the visa-free program. That is expected to increase foreign tourist arrivals to 27.7 million in 2023, more than double the 11.2 million registered in 2022.
- Private consumption has improved significantly and is estimated to grow by 7.1% in 2023, propelled by reopening tailwinds and release of pent-up demand. The stronger recovery in tourism has attracted both Thai and foreign tourists. Other supporting factors were an improvement in the labor market to close to pre-pandemic level and rising consumer confidence.
- Thai exports is expected to contract by 1.5% in 2023, compared to 5.4% growth in 2022, attributed to a slowdown in the global economy and trade amid tightening monetary policy and geopolitical tensions. However, exports improved in late 2023 following easing inflationary pressure and signs the rate hike cycle would end soon.
- Private investment inched-up and is estimated to grow by 2.0% in 2023, slowing down from 5.1% in 2022, due to a weak export sector. In addition, there was pressure from political uncertainty and a delay in government formation. This prompted investors to postpone investments pending greater clarity on policies.
- Public spending is a negative contribution to overall economic growth. The reasons are: (i) a smaller public health expenditure budget to address the COVID-19 outbreak, (ii) a delay in establishing a government after the election, and (iii) a delay in preparing the annual Budget Bill for FY2024, which should normally be ready for disbursement by October. Low disbursement rate of the budget expenditures for both FY2023 and FY2024 has affected public spending and government investment projects.
- The MPC has raised policy interest rate 5 times in a row, from 1.25% at the end of 2022 to 2.50% by late 2023, based on the MPC's assessment that (i) the Thai economy has recovered from the COVID-19 pandemic, led by growing domestic demand, (ii) underlying inflation remained high, and (iii) low interest rates could increase risk to the financial sector. However, inflationary pressure has eased significantly towards the end of 2023, partly due to measures to reduce energy bills. Inflation for full-year 2023 was only 1.3% compared to 6.1% in 2022.

# *2024 outlook: Lagged cyclical recovery with fragile and uneven growth*

- The Thai economy is poised to grow in line with the economic cycle, although it has not yet fully dispersed and remains uncertain. It is projected to expand by 3.4% in 2024, accelerating from 2.5% in 2023, propelled by recovering public expenditure, policy supports, improving tourism activity, and rising employment. However, external headwinds, tighter financial conditions and drought could curtail the overall growth in economic activity.
- Tourism is on track to recover facilitated by Visa-Free scheme and easing supply headwinds. The continuous recovery of the tourism sector is attributed to government support measures and improved capacity to accommodate tourists. International tourist arrivals are projected to increase from 27.7 million in 2023 to 35.6 million in 2024.
- Private consumption will continue to grow by 3.3% in 2024, driven by the ongoing recovery of the tourism sector and improving employment opportunities. It would also be boosted by positive effects from government policies to ease cost of living burden and stimulate spending. However, consumption growth may be constrained by drought impact, high debt level, and decade-high interest rates.
- Private investment is expected to mark stronger growth of 3.5%, driven by the expansion in the services sector and segments associated with infrastructure investment. This growth is also influenced by a possible rebound in public investment from 2Q24 (after approving the annual Budget Bill) and government policies aimed at promoting key industries.
- The delayed preparation and approval of the Budget Bill for FY2024 (October 2023-September 2024) would limit budget disbursements in the last quarter of 2023 and first quarter of 2024. However, once it is approved, the disbursements, especially the government capital budget and infrastructure project spending, are likely to accelerate from 2Q24.
- Exports are expected to show modest growth due to continued pressure from the economic weakness of trading partner countries with sub-par global growth. Thailand's exports is projected to expand by 2.5% in 2024, compared to 1.5% contraction in 2023, influenced by specific factors such as easing supply disruption, food security, disinflation, and low-base effect.
- Krungsri Research expects the MPC to keep policy rate at 2.50% throughout 2024 to keep inflation within the target framework. This is meant to support long-term economic recovery in Thailand while preserving the policy space to address future uncertainties.
- Risks & Challenges: (i) Risk of global recession amid excessive policy tightening; (ii) intensifying geopolitical tensions; (iii) spillover effect of property crisis in China and risk of a tech war; (iv) risk of severe drought (El Niño); and (v) policy uncertainty and political risk in Thailand

# *Thailand: Krungsri Research Forecasts for 2023-2024*

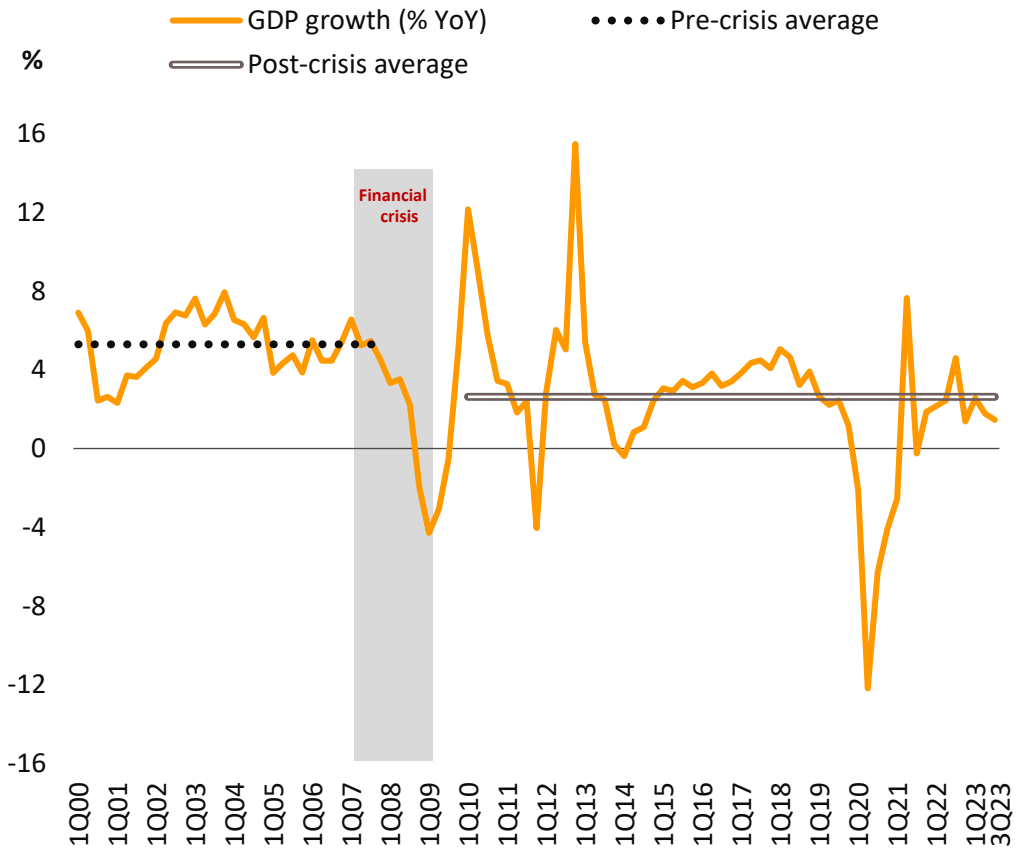
| Krungsri Research Forecast | | 2022 | 2023F | 2024F** |
|---|---|---|---|---|
| GDP growth | YoY (%) | 2.6 | 2.5 | 3.4 |
| Private Consumption Expenditure | YoY (%) | 6.3 | 7.1 | 3.3 |
| Government Consumption Expenditure | YoY (%) | 0.2 | -4.3 | 1.5 |
| Private Investment | YoY (%) | 5.1 | 2.0 | 3.5 |
| Public Investment | YoY (%) | -4.9 | -1.0 | 3.0 |
| Nominal Exports in USD (f.o.b.)* | YoY (%) | 5.4 | -1.5 | 2.5 |
| Nominal Imports in USD (f.o.b.)* | YoY (%) | 14.0 | -2.1 | 4.5 |
| Current Account Balance | USD, bn | -14.7 | 5.5 | 7.8 |
| Tourist Arrivals | Mn, persons | 11.2 | 27.7 | 35.6 |
| Headline Inflation | YoY (%) | 6.1 | 1.3 | 2.0 |
| Policy Interest rate (end of period) | (%) | 1.25 | 2.50 | 2.50 |
| Dubai crude price - period average | USD/bbl | 96 | 83 | 87 |

** 2024 projection excluding Digital Wallet Scheme

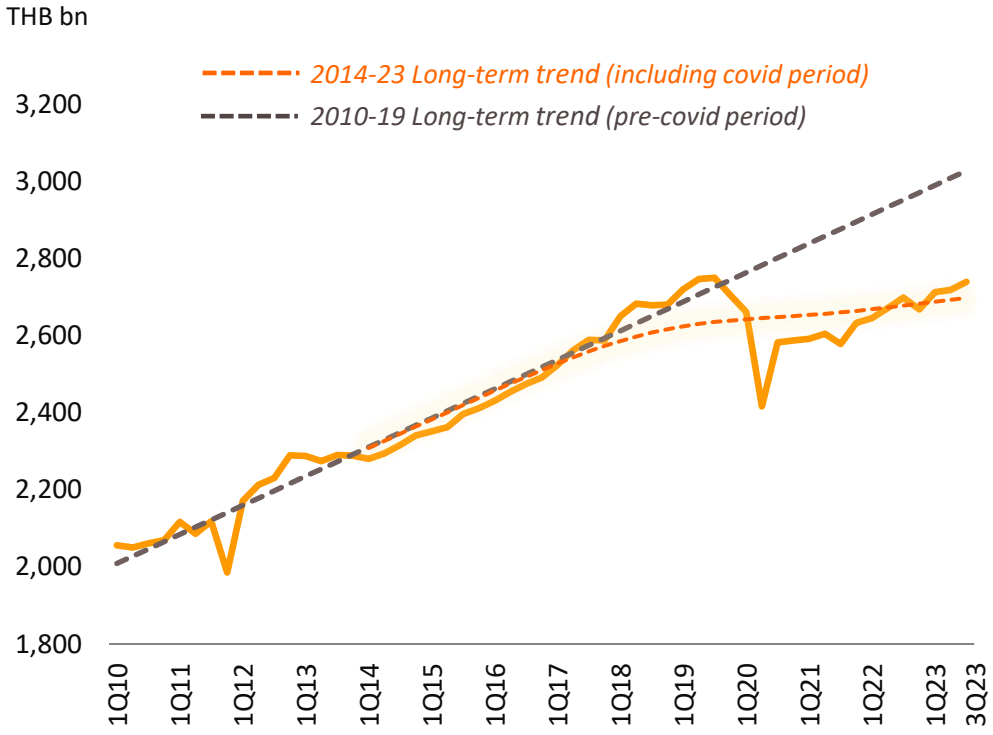
Note: * Based on BOT data

Source: NESDC, BOT, MOC, MOTS, Bloomberg, Krungsri Research

# *Thai economy* has experienced below-trend growth for several consecutive quarters, and could take a while to return to long-term trend (2010-19)




**Thailand's GDP Trends**




Source: Office of the National Economics and Social Development Council (NESDC), Krungsri Research

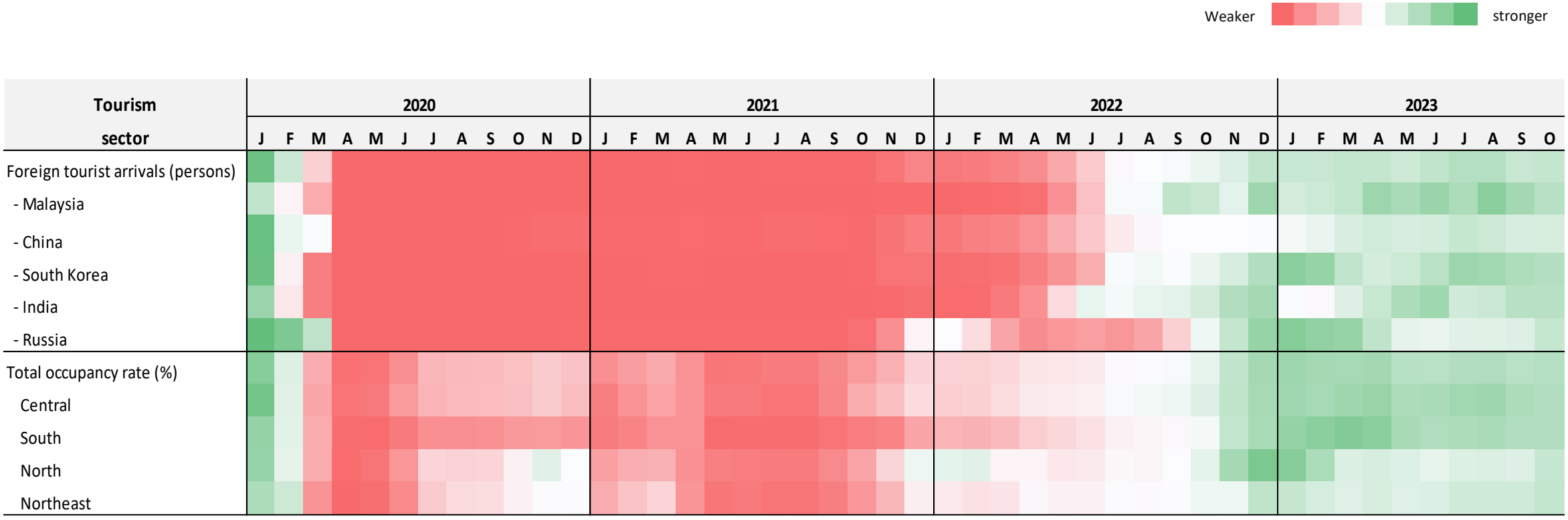
# Tourism sector and domestic demand, especially private consumption, are the key drivers of the Thai economy




| (% YoY) | Share 2022 | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2023 Q1 | 2023 Q2 | 2023 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GDP growth** | **100.0%** | | | | | | | | | | | | | | | |
| ***Demand-side data*** | | | | | | | | | | | | | | | | |
| Private Consumption | 54.5% | | | | | | | | | | | | | | | |
| Government Consumption | 17.7% | | | | | | | | | | | | | | | |
| Gross Fixed Capital Formation | 23.4% | | | | | | | | | | | | | | | |
| *Private Investment* | *17.4%* | | | | | | | | | | | | | | | |
| *Public Investment* | *6.0%* | | | | | | | | | | | | | | | |
| Exports of Goods & Services | 65.8% | | | | | | | | | | | | | | | |
| *Exports of Goods* | *57.6%* | | | | | | | | | | | | | | | |
| *Exports of Services* | *8.2%* | | | | | | | | | | | | | | | |
| Imports of Goods & Services | 68.1% | | | | | | | | | | | | | | | |
| *Imports of Goods* | *55.4%* | | | | | | | | | | | | | | | |
| *Imports of Services* | *12.7%* | | | | | | | | | | | | | | | |
| ***Supply-side data*** | | | | | | | | | | | | | | | | |
| Agriculture | 6.4% | | | | | | | | | | | | | | | |
| Manufacturing | 26.9% | | | | | | | | | | | | | | | |
| Construction | 2.8% | | | | | | | | | | | | | | | |
| Wholesale & Retail trade | *16.0%* | | | | | | | | | | | | | | | |
| Accommodation & Food Service | *4.9%* | | | | | | | | | | | | | | | |
| Transport & Storage | *5.6%* | | | | | | | | | | | | | | | |
| Financial & Insurance | *8.3%* | | | | | | | | | | | | | | | |
| Real Estate Activities | *4.2%* | | | | | | | | | | | | | | | |

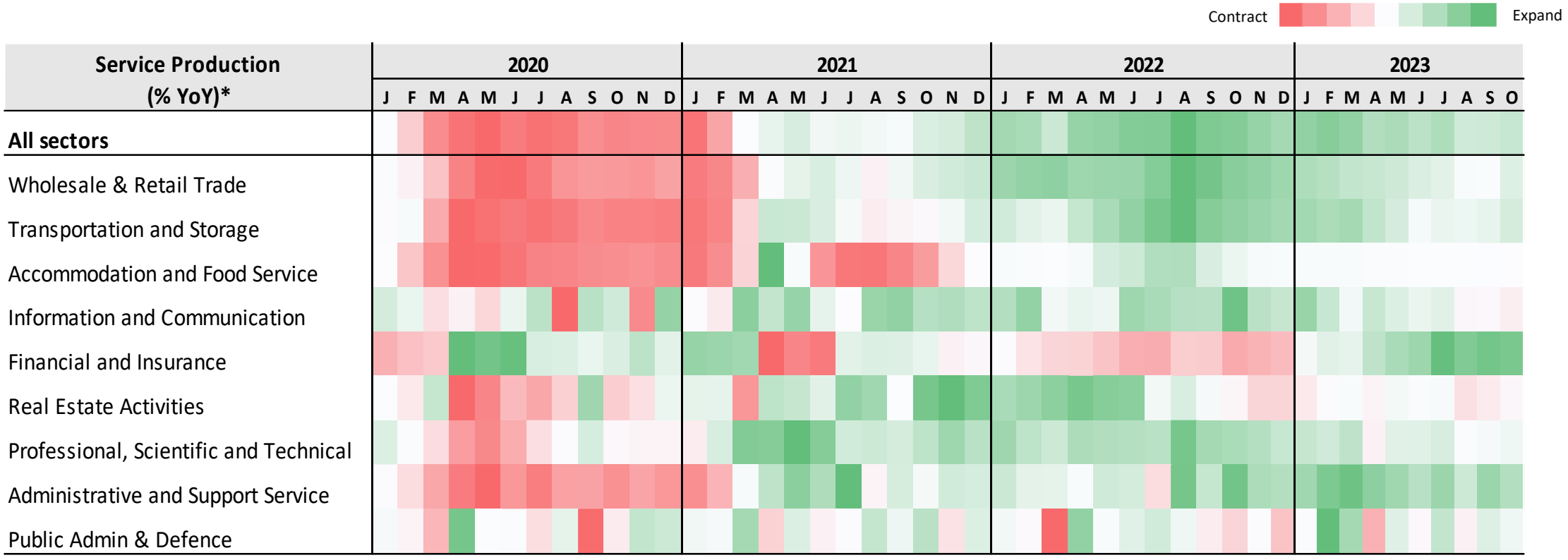
Source: NESDC, Krungsri Research

# *Tourism sector* has recovered slower than expected in 2023 but will remain a key driver of the economy in 2024




Source: Ministry of Tourism and Sports (MOTS), Krungsri Research

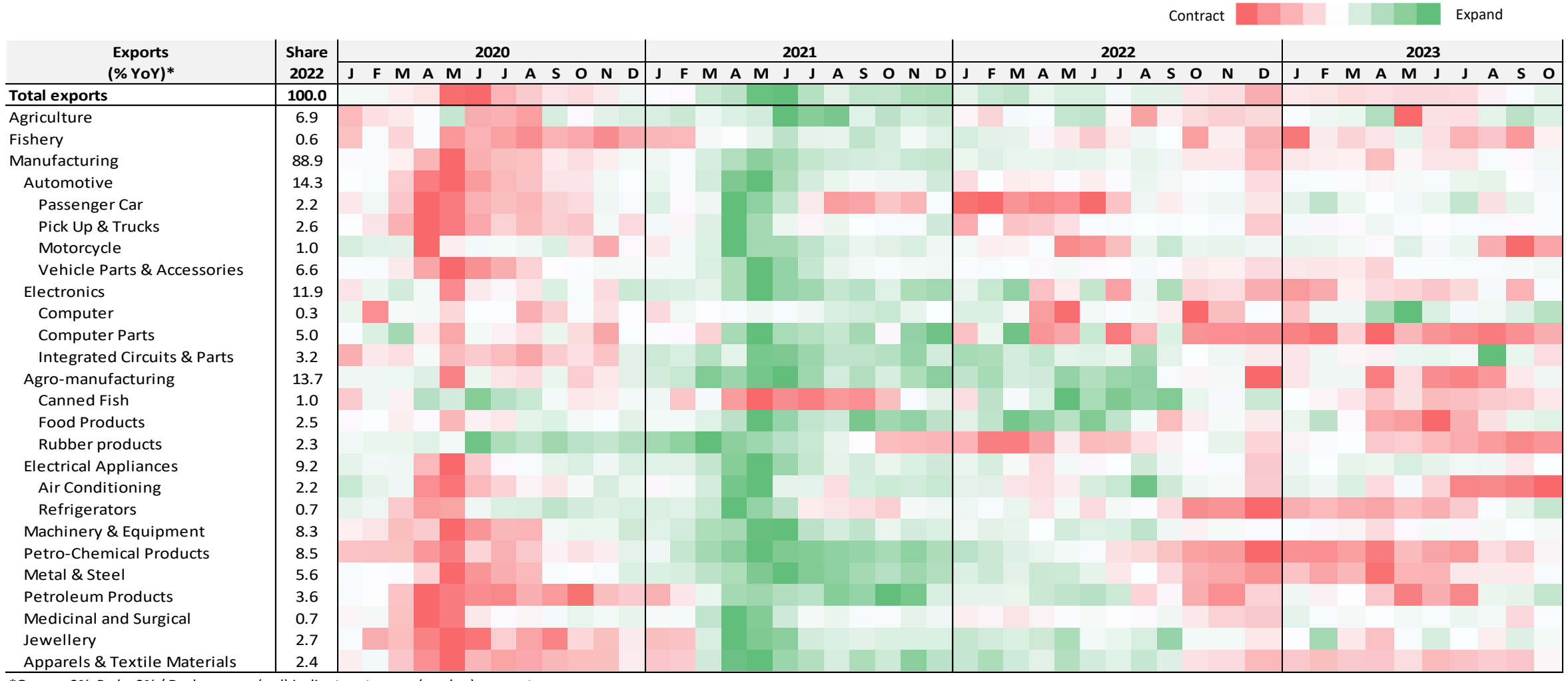
# *Services sector* will remain an important economic driver, supported by a further recovery of the tourism sector




**Green > 0%, Red < 0% / Darker green (red) indicates stronger (weaker) momentum*

Source: BOT, Krungsri Research

# *Exports* have been recovering gradually in the second half of 2023, mainly driven by demand for some key products such as agricultural products, food, and automotive




| Exports (% YoY)* | Share 2022 | 2020 J | F | M | A | M | J | J | A | S | O | N | D | 2021 J | F | M | A | M | J | J | A | S | O | N | D | 2022 J | F | M | A | M | J | J | A | S | O | N | D | 2023 J | F | M | A | M | J | J | A | S | O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total exports** | **100.0** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agriculture | 6.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fishery | 0.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manufacturing | 88.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive | 14.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Passenger Car | 2.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pick Up & Trucks | 2.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Motorcycle | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicle Parts & Accessories | 6.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electronics | 11.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Computer | 0.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Computer Parts | 5.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Integrated Circuits & Parts | 3.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agro-manufacturing | 13.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canned Fish | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Food Products | 2.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubber products | 2.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electrical Appliances | 9.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Air Conditioning | 2.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Refrigerators | 0.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Machinery & Equipment | 8.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Petro-Chemical Products | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Metal & Steel | 5.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Petroleum Products | 3.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medicinal and Surgical | 0.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jewellery | 2.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apparels & Textile Materials | 2.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

*Green > 0%, Red < 0% / Darker green (red) indicates stronger (weaker) momentum

Source: MOC, Krungsri Research

# Exports to some key markets improved, but there is still uncertainty amid sub-par global growth; imports are recovering slowly following improving exports and investment




| Exports by major destinations (% YoY)* | Share 2022 | 2020 J | F | M | A | M | J | J | A | S | O | N | D | 2021 J | F | M | A | M | J | J | A | S | O | N | D | 2022 J | F | M | A | M | J | J | A | S | O | N | D | 2023 J | F | M | A | M | J | J | A | S | O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US | 16.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| China | 12.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Japan | 8.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ASEAN5 | 14.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CLMV | 10.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EU27 | 7.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Middle East | 3.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| South Africa | 1.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Imports by type (% YoY)* | Share 2022 | 2020 J | F | M | A | M | J | J | A | S | O | N | D | 2021 J | F | M | A | M | J | J | A | S | O | N | D | 2022 J | F | M | A | M | J | J | A | S | O | N | D | 2023 J | F | M | A | M | J | J | A | S | O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total import | 100.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel | 19.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital goods | 22.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raw materials (excl. gold) | 38.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer goods | 10.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

*Green > 0%, Red < 0% / Darker green (red) indicates stronger (weaker) momentum

Source: Ministry of Commerce (MOC), Krungsri Research

# *Manufacturing production* could pick up moderately following improving exports and recovering domestic activity

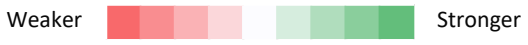



| Manufacturing Production (%YoY)* | Weight | 2021 | | | | | | | | | | | | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O |
| **All industry** | 100.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Food & Beverages | 20.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive | 13.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Petroleum | 9.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chemicals | 9.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubbers & Plastics | 8.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cement & Construction | 5.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IC & Semiconductors | 5.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electrical Appliances | 3.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Textiles & Apparels | 3.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HDD | 3.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**Green > 0%, Red < 0% / Darker green (red) indicates stronger (weaker) momentum*

Source: Office of Industrial Economics (OIE), Krungsri Research

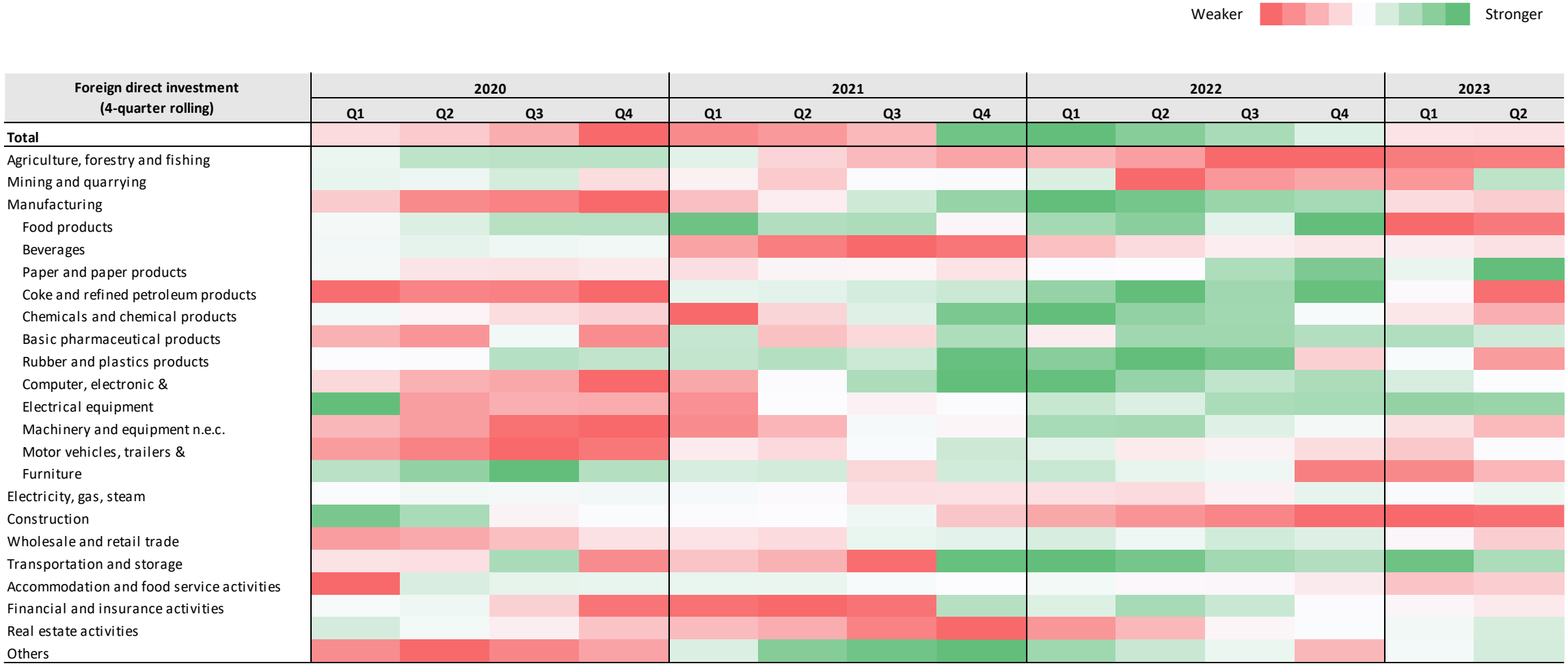
# *Capacity utilization rates* in many sectors remain low in line with shrinking industrial output




| Capacity utilization | Share | 2020 | | | | | | | | | | | | 2021 | | | | | | | | | | | | 2022 | | | | | | | | | | | | 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O |
| **All industry** | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Food & Beverages | 20.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive | 13.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Petroleum | 9.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubbers & Plastics | 8.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chemicals | 8.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non ferrous material | 5.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IC & Semiconductors | 5.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ferrous material | 3.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Textiles & Apparels | 3.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HDD | 3.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electrical Appliances | 3.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Machinery | 2.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

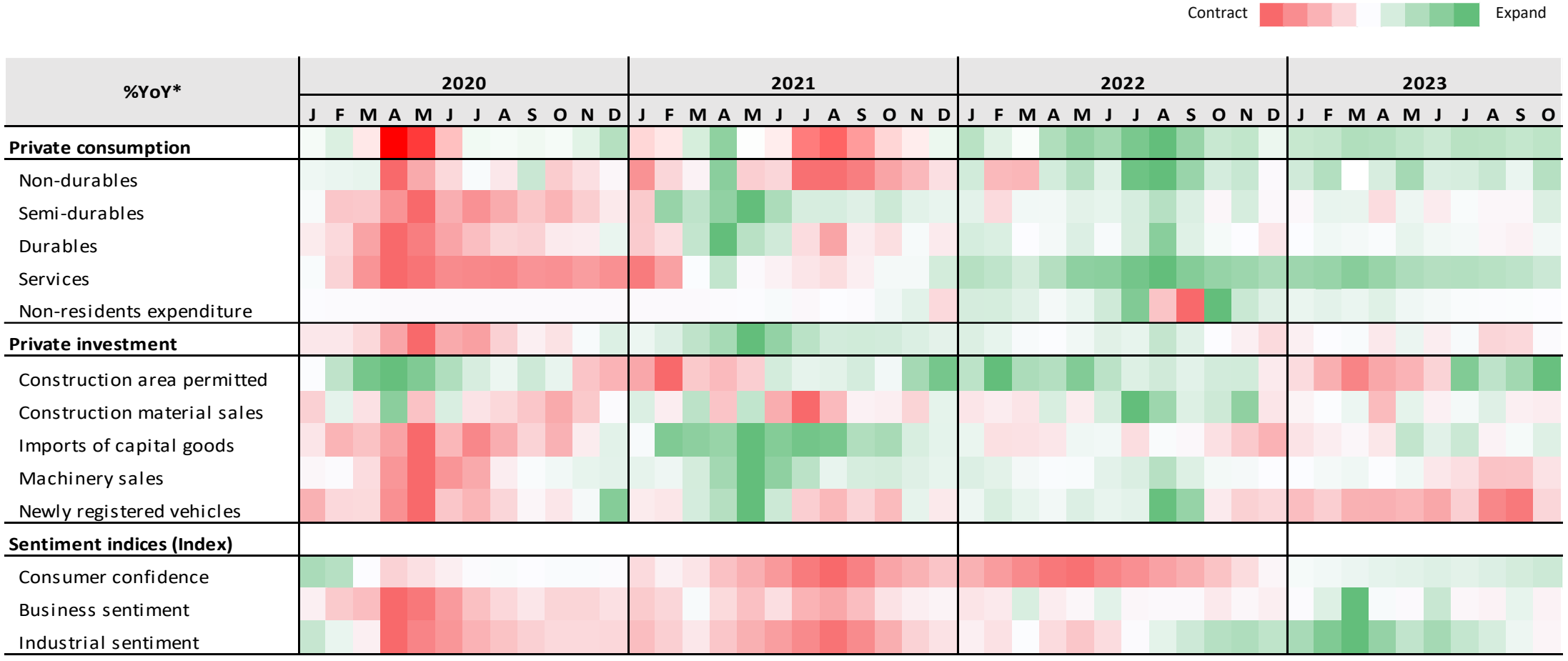
Source: OIE, Krungsri Research

# *FDI* slowed in 1H23, but could improve following clearer domestic political direction, led by Electrical Equipment, Paper & Paper products, and Transportation & Storage




Source: BOT, Krungsri Research

# *Domestic economy* continued to recover amid reopening tailwinds; private consumption has expanded led by rising pent-up demand, higher employment, and policy support



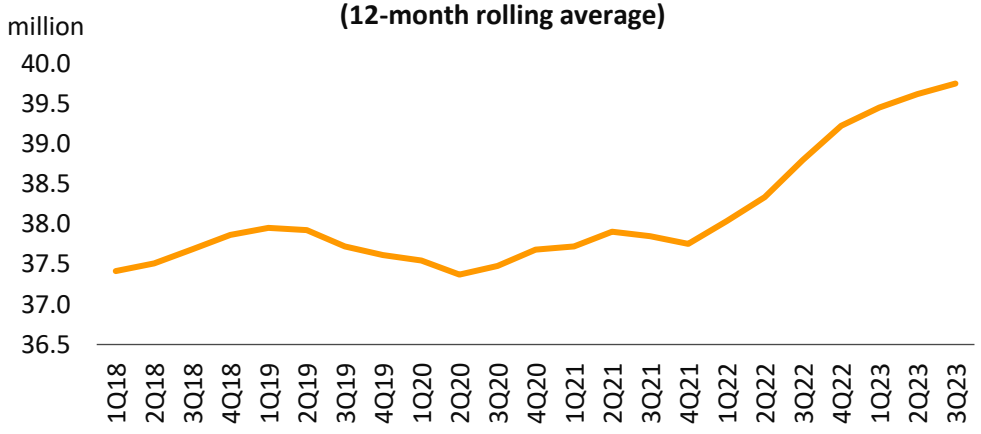

**Green > 0%, Red < 0% / Darker green (red) indicates stronger (weaker) momentum*

Source: BOT, University of the Thai Chamber of Commerce (UTCC), Federation of Thai Industries (FTI), Krungsri Research

# *Overall employment conditions* have rebounded to pre-pandemic levels

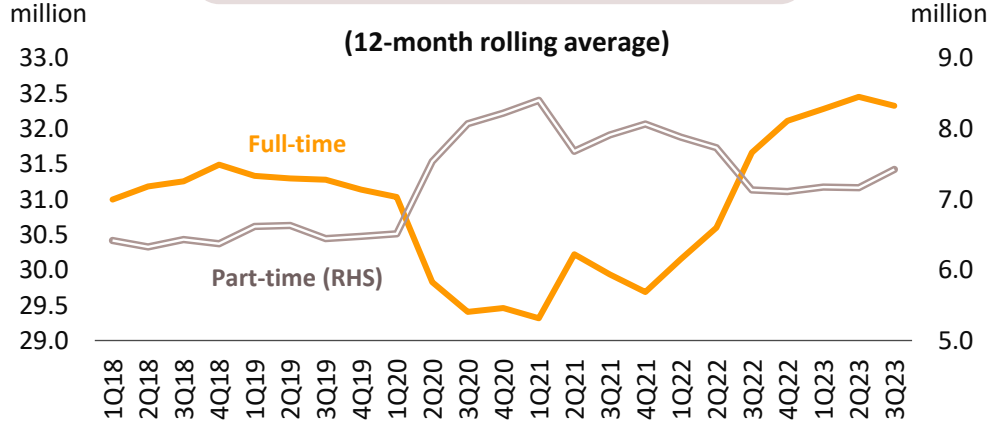
**Employment**

**(12-month rolling average)**

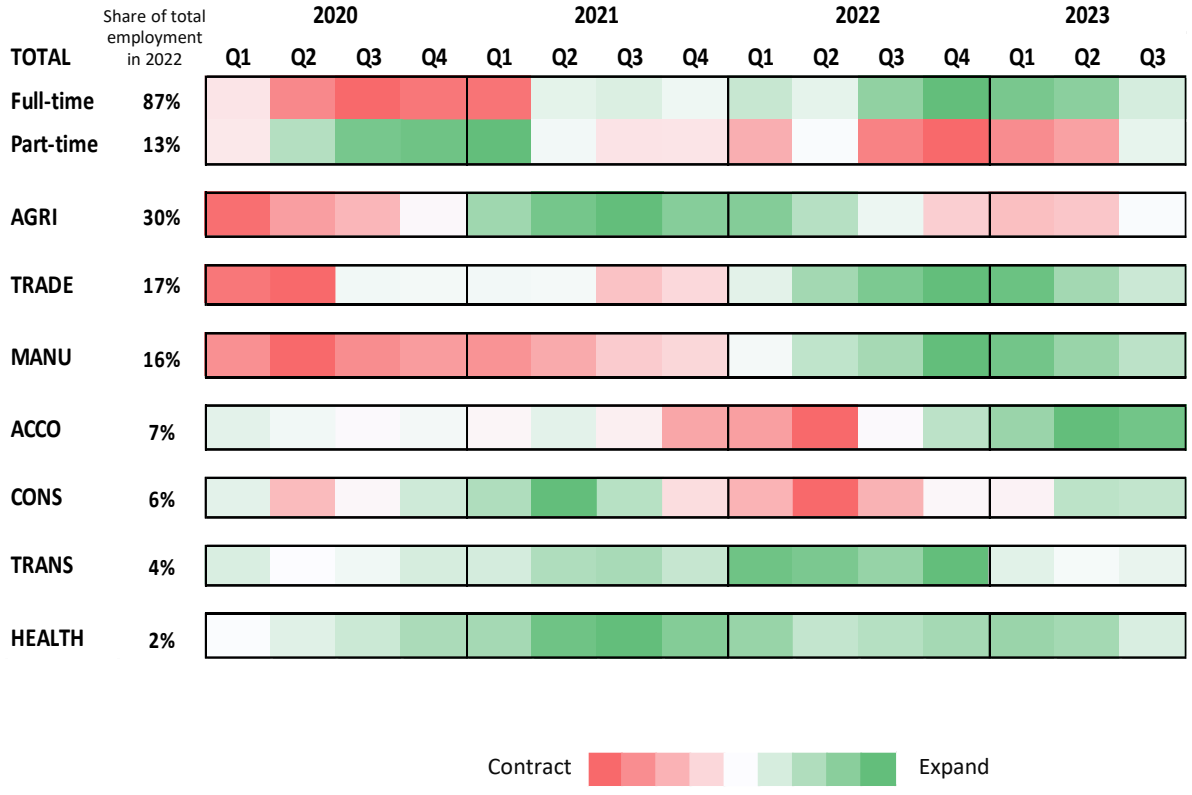



**Full-time and part-time* employment**

**(12-month rolling average)**



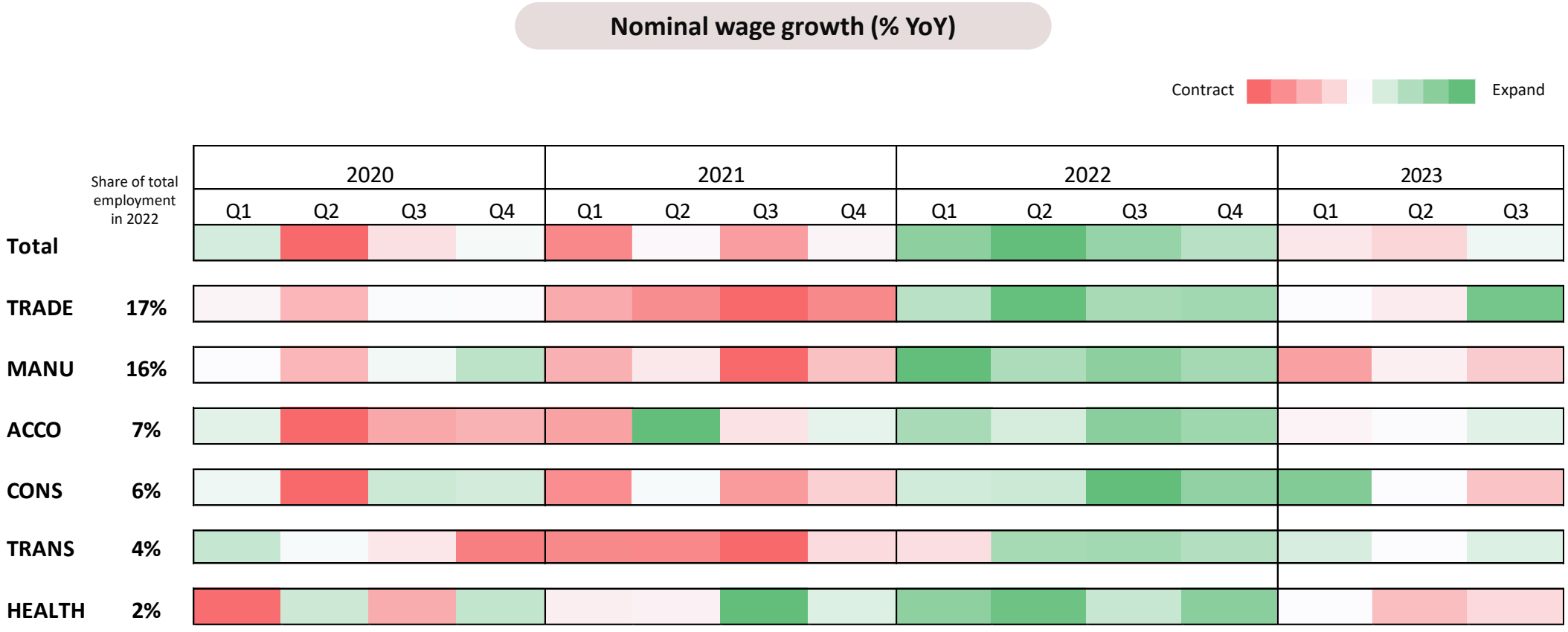

**Sector employment (%YoY, 12-month rolling average)**




Note: Sectoral code: AGRI= Agriculture, TRADE = Wholesale and retail trade, MANU = Manufacturing, ACCO = Accommodation and food service activities, CONS = Construction
TRANS = Transportation and HEALTH = Human health
* Part-time job is defined by those who work less than 34 hours a week. Full time job is defined by those who work more than 34 hours a week

Source: BOT, National Statistical Office of Thailand (NSO), Krungsri Research

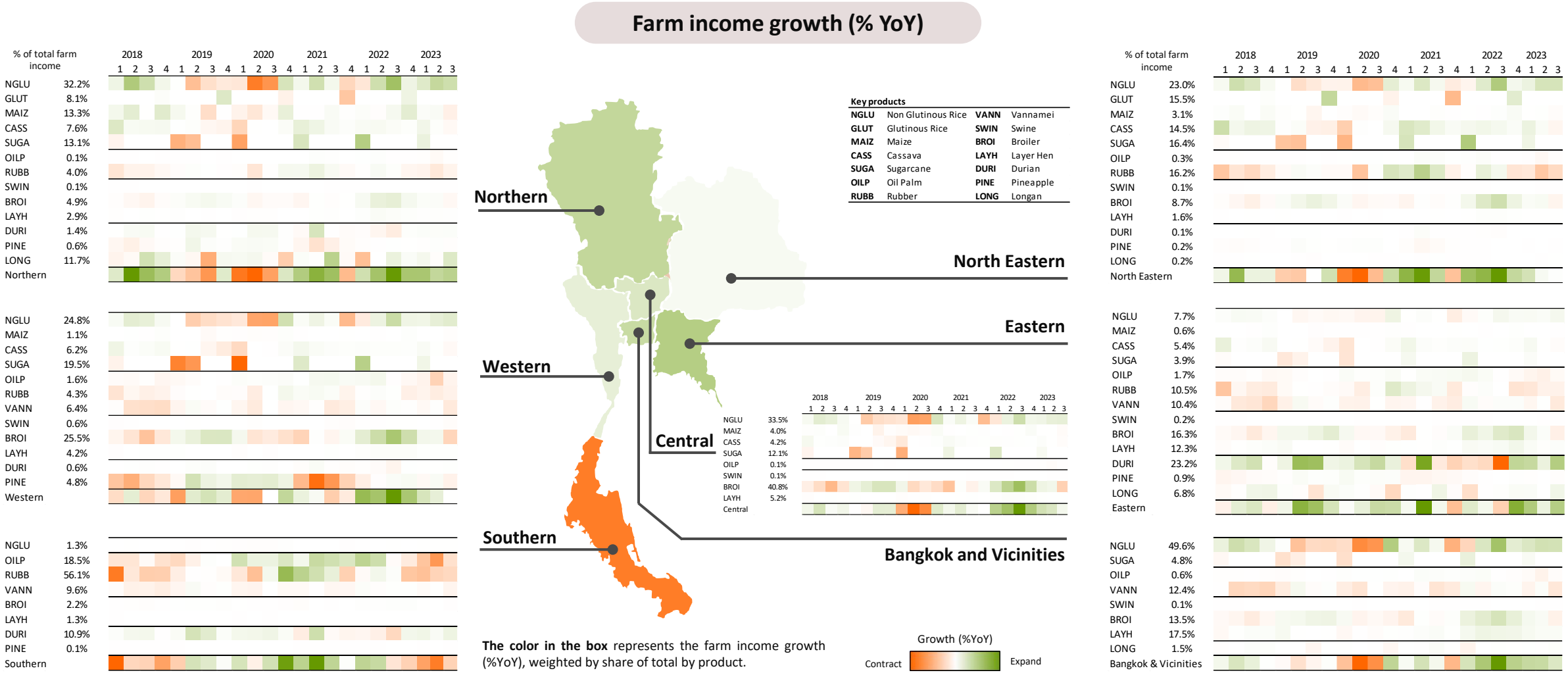
# *Non-farm income:* Most of the improvement was concentrated in some services sectors




Note: Sectoral code: TRADE = Wholesale and retail trade, MANU = Manufacturing, ACCO = Accommodation and food service activities, CONS = Construction, TRANS = Transportation and HEALTH = Human health

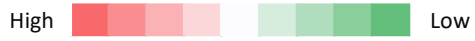
Source: BOT, National Statistical Office of Thailand (NSO), Krungsri Research

# *Farm income* might inch-up in 2024 due to price effect, but agricultural output will be hit by drought impact




Source: Office of Agricultural Economics (OAE), Krungsri Research

# *Inflation* has been negative since October because of energy cost subsidies, but it is projected to rise in 2024 following economic recovery and higher production costs as subsidies end, wage hikes, and drought impact

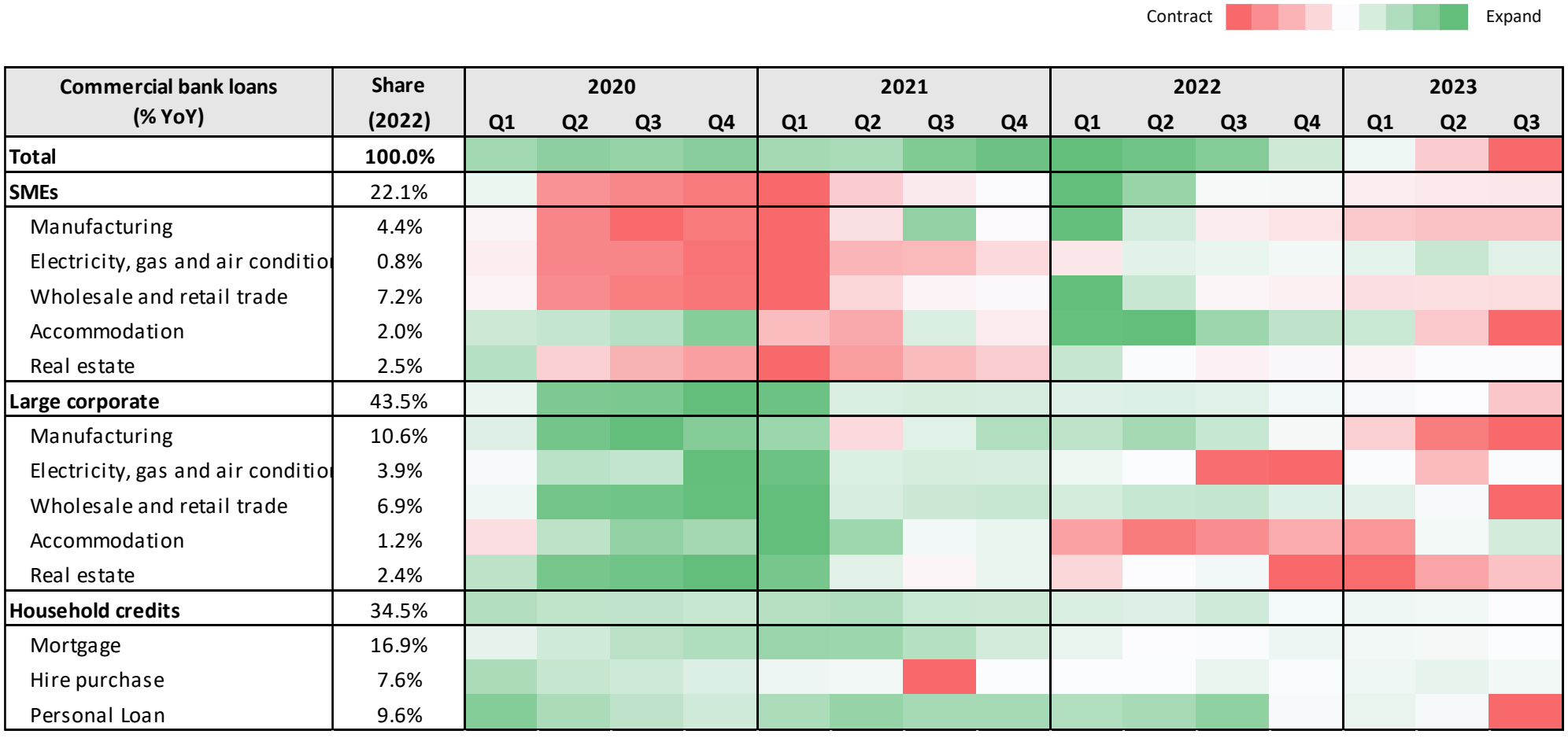



| Consumer Price Index (% YoY)* | Weight | 2020 | | | | | | | | | | | | 2021 | | | | | | | | | | | | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N |
| **Headline CPI** | **100%** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Food & beverages | 41.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apparel & footwears | 2.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing & furnishing | 22.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical & personal care | 5.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transportation & communication | 23.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recreation & education | 4.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tobacco & alcoholic beverages | 1.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raw food | 21.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Energy | 13.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Core CPI** | **65.2%** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

** Red > 0%, Green < 0% / Darker colors indicate stronger momentum*

Source: MOC, Krungsri Research

# *Bank lending* has dropped, partly a result of adjustments following the one-time acceleration during the pandemic, and varies among different borrower groups

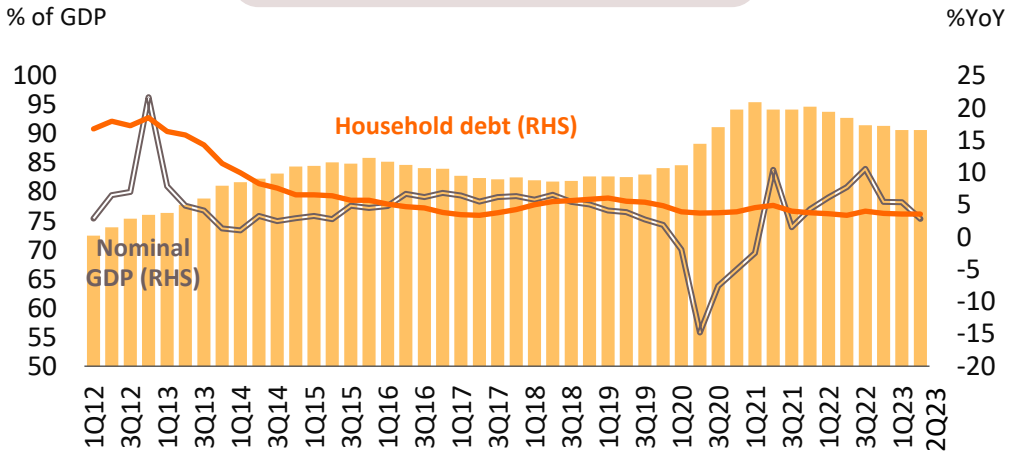



| Commercial bank loans (% YoY) | Share (2022) | 2020 | | | | 2021 | | | | 2022 | | | | 2023 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| **Total** | **100.0%** | | | | | | | | | | | | | | | |
| **SMEs** | 22.1% | | | | | | | | | | | | | | | |
| Manufacturing | 4.4% | | | | | | | | | | | | | | | |
| Electricity, gas and air conditio | 0.8% | | | | | | | | | | | | | | | |
| Wholesale and retail trade | 7.2% | | | | | | | | | | | | | | | |
| Accommodation | 2.0% | | | | | | | | | | | | | | | |
| Real estate | 2.5% | | | | | | | | | | | | | | | |
| **Large corporate** | 43.5% | | | | | | | | | | | | | | | |
| Manufacturing | 10.6% | | | | | | | | | | | | | | | |
| Electricity, gas and air conditio | 3.9% | | | | | | | | | | | | | | | |
| Wholesale and retail trade | 6.9% | | | | | | | | | | | | | | | |
| Accommodation | 1.2% | | | | | | | | | | | | | | | |
| Real estate | 2.4% | | | | | | | | | | | | | | | |
| **Household credits** | 34.5% | | | | | | | | | | | | | | | |
| Mortgage | 16.9% | | | | | | | | | | | | | | | |
| Hire purchase | 7.6% | | | | | | | | | | | | | | | |
| Personal Loan | 9.6% | | | | | | | | | | | | | | | |

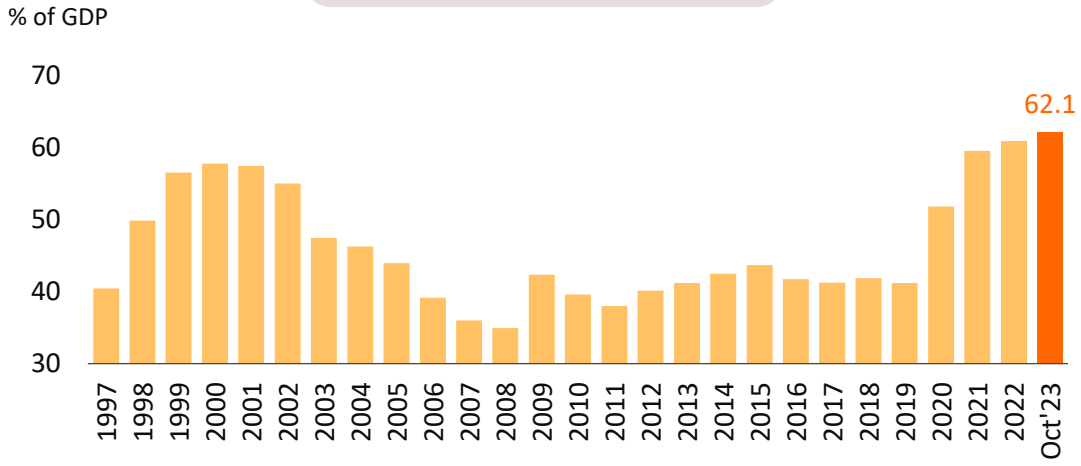
Source: BOT, Krungsri Research

# *Debt levels* remain high; public debt will increase in response to new stimulus measures while household debt will limit consumption growth

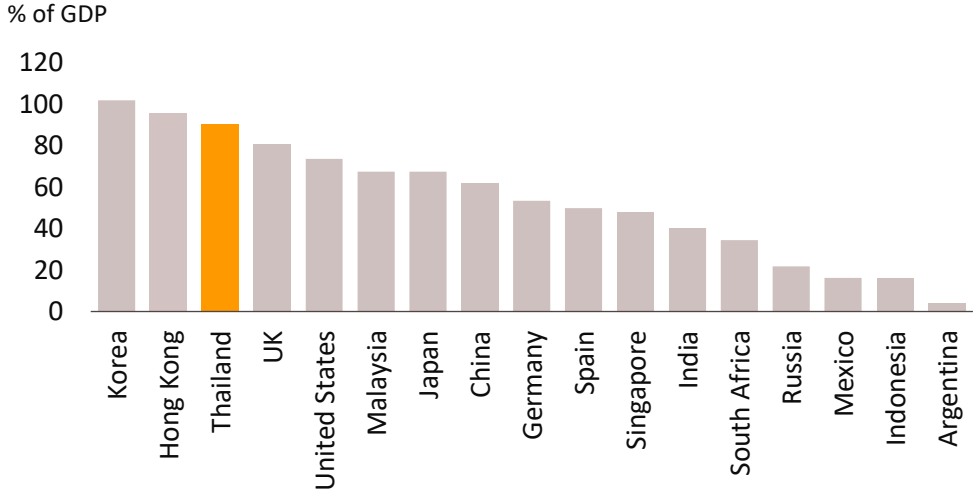
**Household debt to GDP (BOT)**



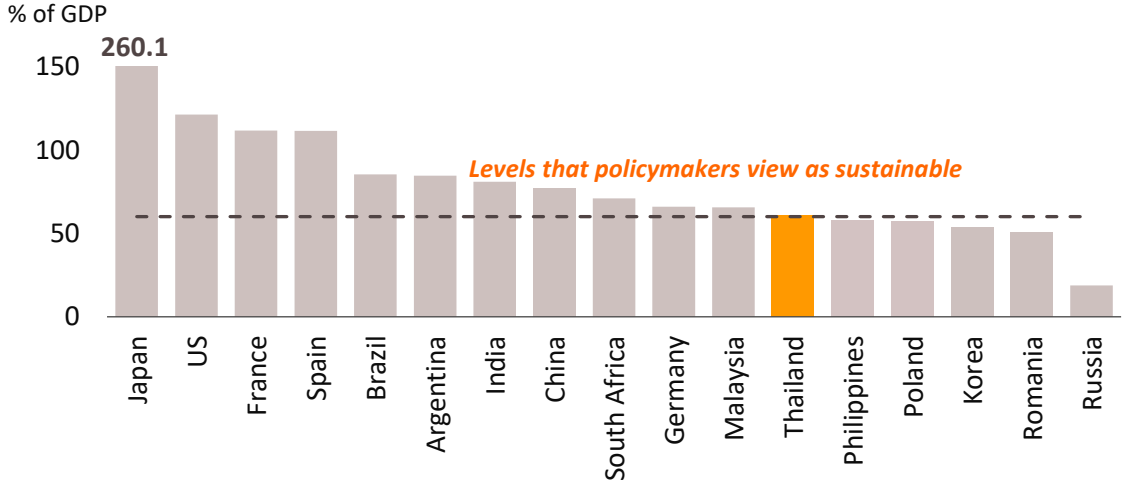

**Public debt to GDP (PDMO)**




**Household debt to GDP, 2023 (June)**



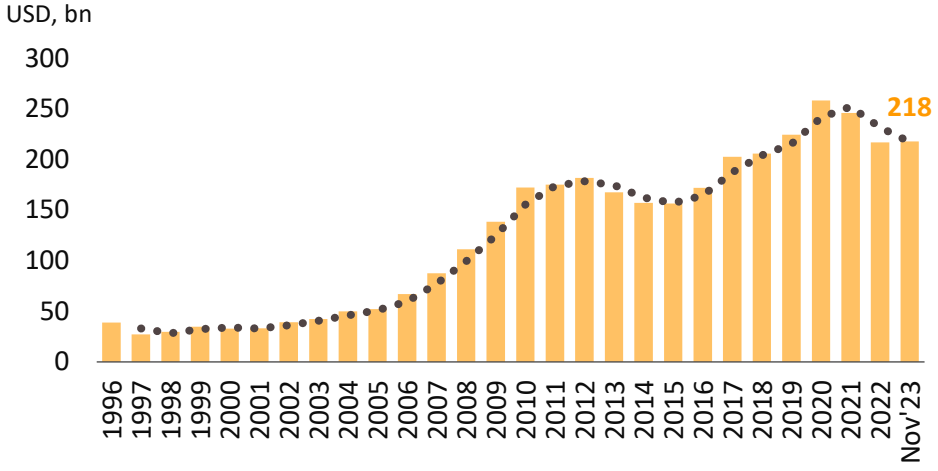

**Public debt to GDP, 2022 (IMF)**



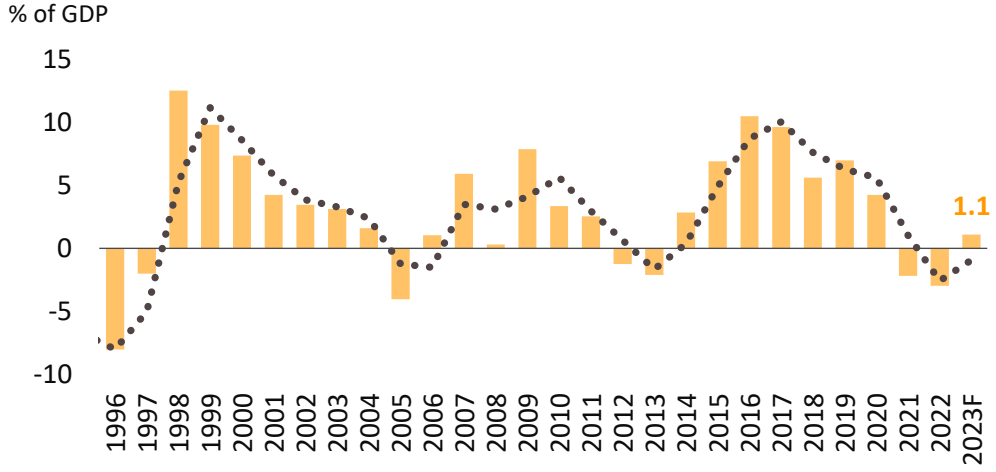

Source: Bank for International Settlements (BIS), BOT, CEIC, Public Debt Management Office (PDMO), Krungsri Research

# *External stability* remains sound with high foreign reserves; Thailand is expected to continue to post a current account surplus in 2024, thanks to a recovering tourism sector

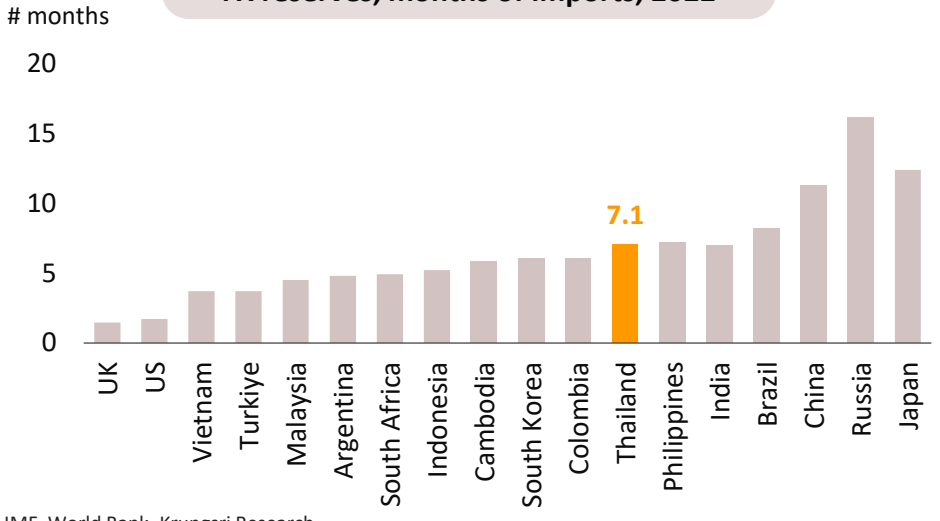
**Foreign reserves**



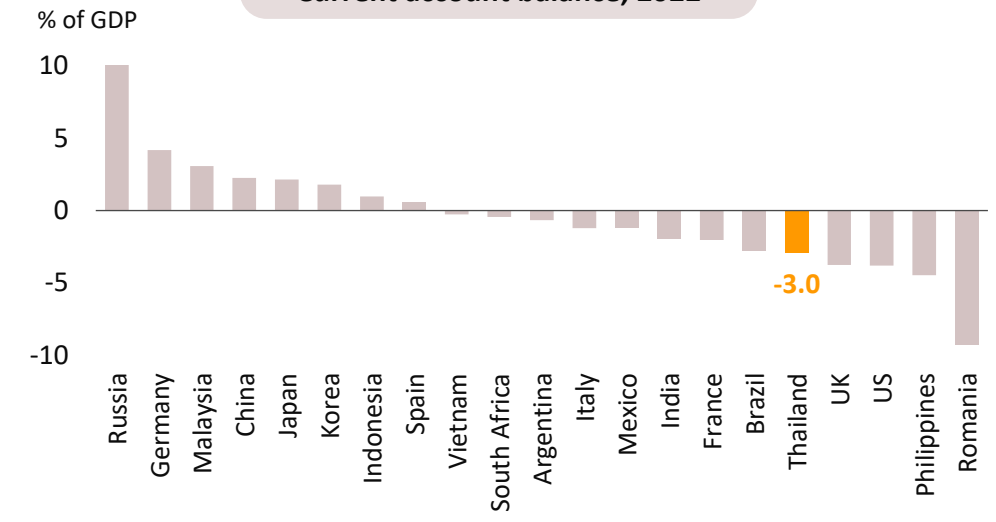

**Thailand's current account balance**




**FX reserves, months of imports, 2022**




**Current account balance, 2022**




Source: BOT, IMF, World Bank, Krungsri Research

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