

FPO Monthly Thai Regional Economic Report

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Monthly Thai Regional Economic Report (June 2017 and Q2/2017)

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Mr. Krisada Chinavicharana, Director-general of the Fiscal Policy Office, Spokesperson of the Ministry of Finance stated that “The Thai regional economy in June 2017 and Q2/2017 continually expanded. This was led by the South, the East, and the Central. Private consumption, especially durable goods consumption, remained strong. Similarly, private investment showed improving signs in many regions. In addition, there was a continual growth in tourism. Meanwhile, internal stability remained favorable.” **The details can be summarized as follows:**

The South: The economy showed strong growth, specifically in private consumption, private investment, and tourism. Durable goods consumption strongly rose as the number of car and motorcycle registrations in June substantially expanded by 26.6 and 0.9 percent per year, respectively, in June, and substantially rose by 29.6 and 22.7 percent per year, respectively, in Q2/2017. Likewise, private investment on equipment and machinery showed positive signs as the number of pick-up registration soared by 29.0 percent per year in June and 38.0 percent per year in Q2/2017. On the supply side, the number of visitors and income from visitors grew by 3.5 and 23.1 percent per year, respectively, in 2M/2017. In addition, higher agricultural product level was a result of increases in rubber and shrimp. Meanwhile, internal stability remained favorable as inflation rate was stable at 0.6 percent in June and unemployment rate (as of May 2017) was 1.7 percent of the Southern workforce.

The East: The economy showed an expansion, driven by private investment, and tourism. The number of car registration in June and Q2/2017 expanded by 1.9 and 8.2 percent per year, respectively. Similarly, private investment showed improving signs as the

number of pick-up and truck registrations in Q2/2017 rose by 3.1 and 10.9 percent per year, respectively, in Q2/2017. On the supply side, tourism sector remained strong as the number of visitors and income from visitors continued to grow by 2.9 and 10.6 percent per year, respectively, in 2M/2017. Whereas, internal stability remained favorable. Inflation rate was stable at 2.4 percent in June and unemployment rate (as of May 2017) was 0.9 percent of the Eastern workforce.

The Central: The economy improved, particularly in private consumption, and private investment, and tourism. The durable goods consumption continued to expand as the number of car and motorcycle registrations increased by 6.8 and 2.4 percent per year, respectively, in June, as well as strongly rises by 13.2 and 10.7 percent per year, respectively, in Q2/2017. Likewise, private consumption on durable goods was pronounced as the number of pick-up and truck registrations indicated an accelerate growth by 9.0 and 17.0 percent per year, respectively, in Q2/2017 as a result of the increase in most provinces. On supply-side, tourism sector remained strong as the number of visitors and income from visitors positively went up by 1.9 and 5.5 percent per year, respectively, in 2M/2017. Meanwhile, internal stability was favorable. Inflation rate of June and unemployment rate (as of May 2017) were low level at -0.6 percent and 1.7 percent of the Central workforce, respectively.

The Northeast: The economy illustrated improving signs, particularly in private consumption, private investment, and tourism. Real VAT collection considerably grew by 0.3 percent per year in June. Furthermore, durable goods consumption remained strong as the number of car in June and Q2/2017 edged up by 14.2 and 18.3 percent per year, respectively. Similarly, private investment showed an improvement as the number of permit for factory operation in June jumped further to 66.4 percent per year, owing to high investment level in Nakhon Ratchasima, Ubon Ratchathani, and Udon Thani. These rises led to an increase of 35.6 percent per year, in Q2/2017. On supply-side, tourism sector showed a satisfactory rate as income from visitors in 2M/2017 positively expanded by 2.1 percent per year. Meanwhile, internal stability remained in a good pace as inflation rate in June was stable at 2.9 percent and unemployment rate (as of May 2017) was 1.1 percent of the Northeastern workforce.

The North: The economy remained on a path of recovery, especially in private consumption, private investment, and tourism. Durable goods consumption continued to increase as the number of car and motorcycle registrations rose by 15.7 And 1.0 percent per year, respectively, in June, as well as increases by 17.9 and 11.2 percent per year, respectively, in Q2/2017. In addition, positive sign of private investment was reflected by the number of truck registrations in June and Q2/2017 which expanded by 14.6 and 7.0 percent per year, respectively. While, the supply-side indicators remained strong. The number of visitors and income from visitors in 2M/2017 contributed to expand by 3.4 and 7.1 percent per year, respectively, Whereas, internal stability remained satisfactory level as inflation rate

was low level at -1.2 percent in June and unemployment rate (as of May 2017) was 1.1 percent of the Northern workforce.

Bangkok and vicinities: The economy showed a recovery, particularly in private investment, and tourism. Private investment on equipment and machinery showed a positive sign as the number of pick-up registration and the number of permit for factory operation rose by 1.5 and 98.8 percent per year, respectively, in June, leading an increase of 7.8 and 108.2 percent per year, respectively, in Q2/2017. While, the supply-side indicators remained strong. The number of visitors and income from visitors in 2M/2017 contributed to expand by 9.3 and 18.6 percent per year, respectively. Meanwhile, internal stability remained satisfactory level as inflation rate was stable at 2.5 percent in June and unemployment rate (as of May 2017) was 1.1 percent of the Bangkok and vicinities workforce.

The West: The economy recovered, particularly in private investment, and tourism. The durable goods consumption continued to expand as the number of car registration moderately rose by 12.5 percent per year in June, as well as rise by 15.9 percent per year in Q2/2017. Likewise, private investment showed positive signs. These reflected by the number of pick-up registration in June and Q2/2017 slightly grew by 0.4 and 2.9 percent per year, respectively. In addition, the number of permit for factory operation in June showed an accelerated growth of 133.5 percent per year. This increase was due to new investment roughly 3,977 million in almost provinces. Whereas, the supply-side indicators remained strong. The number of visitors and income from visitors in 2M/2017 contributed to grow by 5.2 and 7.8 percent per year, respectively. Meanwhile, internal stability was favorable. Inflation rate of June and unemployment rate (as of May 2017) were stable at 0.4 percent and 0.9 percent of the Western workforce, respectively.