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Monthly Economic Report (November 2018)

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Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau as Deputy Spokesperson of the Fiscal Policy Office and Mr. Pongnakorn Pochakorn Director of Macroeconomic Policy Analysis Division revealed the economic report in November 2018 that “The Thai economy in November 2018 was mainly driven by domestic demand, especially private consumption reflected from real VAT collection expanded by 9.6 percent, the highest expansion in 4 months. In addition, private investment in equipment and machinery sector reflected from commercial car sales also record a double digit growth of 26.9 percent. For external demand, export of goods and services slightly contracted, whereas, number of foreign tourists turned to show positive expansion.

Economic indicators on private consumption expenditures in November 2018 continually improved as shown by real VAT collection passenger car sales and import volume of consumption goods.

Private Consumption Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	YTD
Real VAT collection (%YoY)	3.7%	3.4%	1.1%	5.9%	4.6%	4.1%	6.0%	6.6%	7.2%	9.6%	6.1%
%qq_SA / %mom_SA		2.1%	0.9%	1.9%	-0.2%	1.5%	2.6%	2.5%	9.3%	-0.4%	
Import volume of consumption goods (%YoY)	4.7%	0.2%	3.2%	5.3%	10.0%	7.4%	11.6%	6.1%	18.7%	9.4%	9.4%
%qq_SA / %mom_SA		4.1%	0.7%	2.3%	2.7%	1.2%	5.0%	-2.7%	19.3%	9.2%	
Passenger car sales (%YoY)	23.7%	38.7%	13.9%	11.2%	33.9%	12.1%	23.6%	21.2%	14.1%	12.8%	17.9%
%qq_SA / %mom_SA		6.0%	0.8%	2.6%	22.2%	-11.3%	11.1%	0.6%	0.6%	2.8%	
Registration of new motorcycles (%YoY)	4.5%	3.2%	8.3%	0.2%	6.5%	-1.7%	-5.8%	-3.7%	1.9%	-6.1%	-3.5%
%qq_SA / %mom_SA		3.4%	3.9%	-3.5%	2.6%	-4.6%	-0.3%	-1.2%	12.2%	-2.8%	
Consumer confidence index (level)	64.0	64.2	64.4	62.4	65.2	66.7	67.5	69.6	68.4	67.5	67.9
Farmers' real incomes (FPO) (%YoY)	3.2%	17.5%	14.0%	-2.6%	-7.5%	-1.7%	5.0%	1.5%	4.6%	-5.4%	0.3%

Economic indicators on private investment in November 2018 showed expanding sign especially in equipment and machinery sector reflected from commercial car sales which recorded the double digit expansion of 26.9 percent.

Private Investment Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	YTD
<u>Machinery and equipment sector</u>											
Import volume of capital goods (%YoY)	6.3%	1.2%	9.8%	8.4%	6.2%	8.9%	5.6%	-0.9%	0.3%	5.1%	4.1%
%qqq_SA / %mom_SA		1.4%	1.8%	3.3%	-0.6%	3.9%	-0.8%	-3.2%	1.1%	6.4%	
Commercial car sales (%YoY)	7.5%	5.3%	2.2%	12.8%	9.5%	13.0%	28.2%	22.8%	36.0%	26.9%	23.0%
%qqq_SA / %mom_SA		-4.6%	-9.0%	7.7%	17.0%	-1.6%	3.3%	3.2%	0.1%	-1.5%	
<u>Construction sector</u>											
Real estate tax collection (%YoY)	-0.9%	-9.7%	-8.4%	12.3%	3.1%	14.8%	16.8%	14.9%	16.1%	2.1%	14.2%
%qqq_SA / %mom_SA		-3.7%	3.6%	7.4%	-4.1%	7.6%	5.2%	6.0%	0.4%	-10.4%	
Cement sales (%YoY)	1.3%	0.5%	-1.6%	3.5%	3.1%	1.6%	4.0%	8.8%	13.8%	5.4%	5.5%
%qqq_SA / %mom_SA		2.6%	-2.9%	0.7%	2.9%	0.8%	-0.3%	5.4%	1.1%	0.5%	
Construction material price index (%YoY)	1.9%	2.0%	-1.0%	3.0%	3.6%	2.8%	3.6%	3.2%	1.2%	1.3%	2.8%

For the fiscal sector, total government expenditure in November 2018 was amounted at 226.3 billion baht and annual budgetary expenditure was disbursed at 199.7 billion baht as a result of current expenditure which was disbursed at 181.4 billion baht, capital expenditure which was disbursed at 18.3 billion baht, and carry-over budget which was disbursed at 26.6 billion baht

Fiscal Sector Indicators (Billion Baht)	FY2017	FY2018	FY2018				FY2019		
			Q1/ FY2018	Q2/ FY2018	Q3/ FY2018	Q4/ FY2018	Oct	Nov	FYTD
Total Expenditure	2,890.5	3,007.2	967.5	630.7	738.4	670.6	468.3	226.3	694.6
(%YoY)	3.0%	4.0%	-0.2%	-0.9%	13.3%	5.9%	9.3%	-9.6%	2.4%
Annual Expenditure	2,686.6	2,792.1	897.8	572.8	695.6	625.9	447.8	199.7	647.5
(%YoY)	4.2%	3.9%	2.5%	-0.7%	11.3%	2.8%	8.2%	-9.7%	1.9%
Current Expenditure	2,305.8	2,411.8	810.6	479.2	603.7	518.3	422.3	181.4	603.7
(%YoY)	4.1%	4.6%	3.4%	0.3%	11.5%	3.1%	10.6%	-10.2%	3.4%
Capital Expenditure	380.8	380.3	87.2	93.6	91.9	107.6	25.5	18.3	43.8
(%YoY)	4.4%	-0.1%	-5.4%	-5.2%	10.0%	1.3%	-20.7%	-4.7%	-14.7%
Carry-over budget (last year)	204.0	215.1	69.7	57.9	42.8	44.7	20.5	26.6	47.0

External demand as reflected by export values in November 2018 was 21.2 billion USD decreased by -0.95 percent per year. Meanwhile, import values were 22.4 billion USD. As a result, trade balance in November 2018 showed a deficit of 1,178 million USD.

Main trading partners (16 countries)	2017	2017				2018						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	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%	8.7%	-0.95%	7.3%	
1. China (11.0% >> 12.4%)	24.0%	37.0%	26.6%	22.0%	14.1%	0.3%	15.1%	-2.8%	3.0%	-8.9%	2.4%	
2. U.S.A. (11.0% >> 11.2%)	8.5%	7.6%	7.2%	8.3%	10.7%	9.0%	6.6%	0.0%	7.2%	11.9%	5.8%	
3. Japan (9.5% >> 9.4%)	7.7%	-3.6%	16.4%	10.4%	9.1%	24.9%	11.2%	8.7%	18.7%	4.3%	14.0%	
4. EU (9.3% >> 9.1%)	8.1%	8.7%	5.5%	6.8%	11.3%	10.5%	11.1%	2.5%	-4.1%	-2.0%	5.8%	
5. Australia (5.6% >> 5.3%)	3.5%	-0.5%	-2.0%	0.3%	17.4%	13.8%	10.3%	-3.3%	-2.0%	-11.8%	3.8%	
6. Hong Kong (5.3% >> 5.2%)	7.2%	5.9%	13.1%	7.7%	2.8%	1.7%	9.8%	2.7%	-2.8%	-11.1%	2.5%	
7. Vietnam (4.4% >> 4.9%)	22.9%	23.4%	25.7%	25.8%	17.7%	18.6%	6.5%	13.1%	15.1%	15.7%	13.1%	
8. Malaysia (4.5% >> 4.4%)	7.4%	-3.7%	7.4%	10.0%	16.5%	15.5%	12.0%	19.3%	6.1%	2.7%	13.4%	
9. Middle East (4.2% >> 3.8%)	-1.8%	-19.9%	4.6%	5.0%	7.1%	10.7%	-10.4%	-5.4%	-7.4%	-17.4%	-4.0%	
10. Indonesia (3.8% >> 3.7%)	8.2%	-7.7%	21.4%	2.6%	20.2%	18.3%	7.8%	17.5%	24.9%	-2.3%	13.6%	
11. Singapore (3.8% >> 3.5%)	0.8%	-20.2%	34.2%	-0.1%	-1.9%	12.1%	-7.6%	24.9%	72.8%	-1.4%	13.1%	
12. Philippines (3.0% >> 2.9%)	8.6%	0.6%	6.2%	8.6%	18.8%	14.0%	22.9%	23.3%	4.2%	-18.2%	13.9%	
13. Africa (2.9% >> 2.9%)	10.9%	0.3%	3.3%	19.7%	20.3%	20.7%	18.3%	4.1%	8.3%	-9.8%	10.7%	
14. India (2.4% >> 2.7%)	25.7%	17.7%	13.0%	27.4%	46.3%	31.6%	27.0%	13.8%	12.0%	3.6%	20.7%	
15. South Korea (1.9% >> 2.0%)	14.4%	23.2%	24.1%	11.8%	0.7%	5.1%	10.7%	2.1%	14.3%	-1.8%	5.9%	
16. Taiwan (1.6% >> 1.7%)	19.0%	16.4%	22.7%	24.9%	11.9%	11.0%	0.0%	-11.2%	-4.5%	-3.0%	-1.2%	
PS.ASEAN-9 (25.4% >> 25.2%)	8.9%	0.4%	14.9%	9.6%	11.2%	14.8%	12.4%	22.3%	21.8%	4.9%	15.8%	
PS.ASEAN-5 (15.1% >> 14.6%)	6.1%	-8.5%	17.1%	5.2%	13.2%	15.2%	7.6%	21.0%	24.4%	-4.3%	13.5%	
PS.Indochina-4 (10.3% >> 10.6%)	12.9%	15.6%	11.7%	16.3%	8.9%	14.3%	19.6%	24.2%	18.2%	17.6%	19.1%	

Supply-side indicators were supported by Thai Industries Sentiment Index (TISI) and number of foreign tourists. Meanwhile, Agricultural Product Index (API) slightly contracted.

Supply Side Indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	YTD
Agricultural Production Index (%YoY) /6	6.1%	6.9%	15.8%	11.2%	-1.1%	12.3%	12.8%	6.4%	5.9%	-2.9%	7.5%
Thai Industries Sentiment Index (TISI) (level)	86.3	87.0	85.5	85.2	87.3	90.5	90.3	92.4	92.6	93.9	91.5
Number of Inbound Foreign Tourists (%YoY)	9.3%	2.0%	9.0%	7.7%	19.8%	15.5%	8.4%	1.9%	-0.5%	4.5%	7.5%
%qoq_SA / %mom_SA		9.8%	6.0%	3.3%	0.2%	5.1%	-0.4%	-2.8%	0.2%	3.1%	

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

Macroeconomic stability indicators	2017	2017				2018					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	YTD
<u>Internal Stability</u>											
Unemployment rate (%)	1.2%	1.2%	1.2%	1.2%	1.1%	1.3%	1.1%	1.0%	1.0%	1.0%	1.1%
Producer price index (%YoY)	0.7%	3.2%	0.1%	-0.5%	0.0%	-1.5%	0.6%	1.7%	1.7%	0.9%	0.5%
Headline inflation (%YoY)	0.7%	1.3%	0.1%	0.4%	0.9%	0.6%	1.3%	1.5%	1.2%	0.9%	1.1%
Core inflation (%YoY)	0.6%	0.7%	0.5%	0.5%	0.6%	0.6%	0.8%	0.8%	0.7%	0.7%	0.7%
Public debt (% of GDP)	41.2%	41.7%	41.3%	41.9%	41.2%	41.2%	41.0%	41.7%	41.7%	N/A	41.7%
<u>External Stability</u>											
Current Account Balance (Billion USD)	47.9	15.0	7.8	13.8	11.3	15.0	6.5	4.3	1.9	N/A	27.6
International Reserves Position (Billion USD)	202.6	180.9	185.6	199.3	202.6	215.6	206.8	204.5	201.8	203.2	203.2
Net Forward (Billion USD)	36.7	26.6	31.3	31.2	36.7	35.8	33.0	31.9	32.6	32.2	32.2
International reserves to short term external debt (times)	2.9	3.2	3.3	3.1	2.9	3.2	3.1	3.1	3.2	N/A	3.2

Table 1 Monthly Economic Indicators

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	2017	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	YTD
External sector													
- Dubai crude oil price (US\$/Barrel) /7	53.2	66.2	62.7	62.7	68.3	74.4	73.6	73.1	72.4	77.2	79.4	65.6	70.5
- Fed funds rate (%) /7	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	1.75-2.00	2.00-2.25	2.00-2.25	2.00-2.25	2.00-2.25	2.00-2.25
Fiscal sector													
- Government expenditure (Billion baht) /1	967.5	244.6	166.0	220.2	246.4	189.6	302.5	213.0	179.0	278.6	468.3	226.3	694.6
(%YoY) /1	-0.2%	-4.1%	5.1%	-1.5%	13.5%	-9.6%	34.5%	-17.0%	8.4%	31.9%	9.3%	-9.6%	2.4%
- Budget expenditure (Billion baht) /1	897.77	226.8	147.1	198.9	236.6	172.4	286.6	202.6	167.0	256.3	447.8	199.7	647.5
(%YoY) /1	2.5%	-1.3%	3.0%	-2.6%	12.6%	-14.7%	34.8%	-19.5%	5.6%	28.6%	8.2%	-9.7%	1.9%
- Current expenditure (Billion baht) /1	810.59	200.4	119.0	159.7	211.3	142.7	249.7	177.1	134.0	207.2	422.3	181.4	603.7
(%YoY) /1	3.4%	-5.1%	4.6%	4.4%	12.2%	-16.6%	37.3%	-22.0%	5.9%	38.9%	10.6%	-10.2%	3.4%
- Capital expenditure (Billion baht) /1	87.18	26.5	28.1	39.1	25.3	29.7	36.9	25.5	33.0	49.1	25.5	18.3	43.8
(%YoY) /1	-5.4%	41.6%	-3.1%	-23.5%	15.7%	-3.7%	19.7%	3.4%	4.6%	-1.9%	-20.7%	-4.7%	-14.7%
- Carry-over budget (Billion baht) /1	69.69	17.7	18.9	21.3	09.8	17.2	15.9	10.4	12.0	22.3	20.5	26.6	47.0
(%YoY) /1	-25.1%	-29.8%	24.4%	9.6%	38.8%	120.8%	29.8%	105.7%	71.8%	85.9%	41.9%	-8.3%	8.4%
Supply-side indicators													
Agricultural sector													
- Agricultural Production Index (%YoY) /6	6.1%	16.0%	8.3%	12.8%	17.3%	14.2%	6.2%	10.2%	7.2%	2.7%	5.9%	-2.9%	7.5%
- Agricultural Price Index (%YoY) /6	-2.8%	-14.5%	-13.5%	-8.3%	-9.2%	-4.7%	-3.5%	-0.8%	-3.0%	-6.0%	-0.3%	-2.1%	-6.2%
- Real farm income (%YoY) /14	3.2%	-1.3%	-6.6%	2.7%	5.7%	7.5%	1.5%	8.1%	2.7%	-4.4%	4.6%	-5.4%	0.3%
- New employment in agricultural sector(%YoY) /3	-0.1%	7.0%	5.4%	4.5%	1.8%	4.4%	1.8%	0.7%	0.9%	3.7%	3.7%	2.7%	3.2%
Industrial sector													
- Manufacturing Production Index (%YoY) /10	2.5%	4.7%	4.6%	3.2%	3.1%	2.9%	5.0%	4.9%	0.8%	-2.7%	5.8%	1.0%	3.0%
- Import value of raw materials in USD (%YoY) /1	18.7%	12.1%	21.6%	15.3%	15.7%	9.2%	0.9%	2.8%	37.8%	11.5%	13.4%	2.9%	12.8%
- Import volume of raw materials in USD (%YoY) /1	14.1%	6.2%	3.1%	9.1%	10.3%	4.7%	-3.0%	-0.6%	33.9%	9.3%	11.3%	1.7%	7.8%
- Capacity utilization (%) /10	67.1%	70.5%	70.5%	76.3%	60.9%	69.8%	69.1%	66.9%	66.3%	66.1%	68.9%	69.4%	2.3%
- New employment in industrial sector (%YoY) /3	-4.1%	-5.4%	-3.7%	-0.7%	-0.9%	0.7%	3.5%	1.2%	0.8%	6.1%	5.1%	-0.1%	0.5%
- Thai Industrial Sentiment Index (Index) /9	86.3	91.0	89.9	90.7	89.1	90.2	91.7	93.2	92.5	91.5	92.6	93.9	91.5
Service sector													
- No. of foreign tourists (Million persons) /11	35.6	3.5	3.6	3.5	3.1	2.8	3.0	3.2	3.2	2.7	2.7	3.2	34.4
(%YoY) /14	9.3%	10.9%	20.2%	15.9%	8.4%	5.9%	10.8%	2.5%	1.3%	2.1%	-0.5%	4.5%	7.5%
- New employment in service sector(%YoY) /3	0.8%	-2.3%	-1.7%	-3.3%	0.4%	1.9%	-2.9%	2.7%	3.1%	-1.6%	0.7%	1.3%	-0.1%
Demand-side indicators													
Private consumption indicators													
- Value added tax at constant price (%YoY) /1	3.7%	6.9%	7.3%	-1.6%	7.0%	4.1%	6.9%	18.2%	1.7%	0.8%	7.2%	9.6%	6.1%
- Import volume of consumer goods in USD (%YoY) /1	4.7%	15.7%	9.3%	-1.8%	17.5%	7.7%	10.5%	5.3%	8.8%	4.0%	18.7%	9.4%	9.4%
- Sales of passenger cars (%YoY) /14	23.7%	27.3%	10.9%	3.8%	17.2%	26.8%	26.2%	21.4%	27.2%	15.6%	14.1%	12.8%	17.9%
- Sales of motorcycles (%YoY) /13	4.5%	3.5%	-5.3%	-2.9%	-3.1%	-12.0%	-1.0%	-4.0%	3.9%	-10.8%	1.9%	-6.1%	-3.5%
- Consumer Confidence Index (Index) /5	64.0	67.0	66.2	66.8	67.8	66.9	67.9	69.1	70.2	69.4	68.4	67.5	67.9
Private investment indicators													
- Import volume of capital goods in USD (%YoY) /1	6.3%	30.4%	1.8%	-1.0%	3.5%	7.3%	6.0%	-0.8%	5.2%	-6.9%	0.3%	5.1%	4.1%
- Sales of commercial cars (%YoY) /14	7.5%	10.2%	9.9%	17.5%	30.6%	28.6%	25.6%	28.8%	28.1%	13.5%	36.0%	26.9%	23.0%
- Total taxes collected from real estate transaction (%YoY) /1	-0.9%	23.8%	15.2%	9.2%	25.5%	14.7%	13.0%	12.3%	23.3%	9.7%	16.1%	2.1%	14.2%
- Domestic cement sales (%YoY) /2	1.3%	1.1%	-0.4%	3.8%	0.0%	8.1%	3.4%	10.5%	7.3%	8.8%	13.8%	5.4%	5.5%
- Construction material price index (%YoY) /14	1.9%	2.8%	2.9%	2.7%	2.7%	3.8%	4.4%	4.7%	3.3%	1.5%	1.2%	1.3%	2.8%
International trade indicators													
- Exports (Billion USD): custom basis	236.6	20.1	20.4	22.4	18.9	22.3	21.8	20.4	22.8	20.7	21.8	21.2	232.7
(%YoY) /4	9.9%	17.6%	10.5%	7.0%	12.4%	11.4%	8.2%	8.3%	6.7%	-5.2%	8.7%	-1.0%	7.3%
- Export price (%YoY) /4	3.6%	4.8%	4.5%	4.8%	4.7%	4.7%	4.2%	3.7%	3.0%	2.4%	2.5%	1.5%	3.7%
- Export volume (%YoY) /14	6.0%	12.2%	5.7%	2.1%	7.4%	6.5%	3.8%	4.4%	3.6%	-7.5%	6.0%	-2.4%	3.5%
- Imports (Billion USD): custom basis	221.5	20.2	19.6	21.1	20.2	21.1	20.2	20.9	23.4	20.2	22.0	22.4	231.3
(%YoY) /4	14.1%	24.5%	16.7%	10.5%	21.3%	11.7%	10.8%	10.5%	22.8%	9.9%	11.2%	14.7%	14.8%
- Import price (%YoY) /4	5.5%	6.7%	6.2%	6.8%	6.4%	7.3%	7.8%	6.9%	6.0%	5.6%	5.5%	2.3%	6.1%
- Import volume (%YoY) /14	8.1%	16.7%	9.9%	3.5%	14.0%	4.1%	2.8%	3.4%	15.8%	4.0%	5.4%	12.1%	8.2%
- Trade balance (Billion USD): custom basis /4	15.1	-0.1	0.8	1.3	-1.3	1.2	1.6	-0.5	-0.6	0.5	-0.3	-1.2	1.4
External economic stability													
- Average exchange rate (Baht/USD) /2	33.8	31.4	31.5	31.2	31.5	32.0	33.2	33.3	32.7	32.4	33.3	32.9	32.3
- Current account (Billion USD) /2	47.9	4.5	5.4	5.0	1.4	1.0	4.1	1.1	0.8	2.4	1.9	N/A	27.6
- International reserves (Billion USD) /2	202.6	214.7	212.7	215.6	215.2	212.6	206.8	205.5	204.5	204.5	201.8	203.2	203.2
- Net Forward Position (Billion USD) /2	36.7	34.8	36.1	35.8	34.2	33.3	33.0	32.2	32.3	31.9	32.6	32.2	32.2
- International reserves to short term external debt (times) /2	2.9	3.3	3.3	3.5	3.5	3.5	3.4	3.5	3.2	3.1	3.2	N/A	3.2
Internal economic stability													
- Unemployment rate (%) /3	1.2%	1.3%	1.3%	1.2%	1.1%	1.0%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%
- Producer Price Index (%YoY) /4	0.7%	-1.1%	-1.9%	-1.4%	-0.8%	0.7%	1.8%	2.2%	1.8%	1.3%	1.7%	0.9%	0.5%
- Headline inflation (%YoY) /4	0.7%	0.7%	0.4%	0.8%	1.1%	1.5%	1.4%	1.5%	1.6%	1.3%	1.2%	0.9%	1.1%
- Core inflation (%YoY) /4	0.6%	0.6%	0.6%	0.6%	0.6%	0.8%	0.8%	0.8%	0.7%	0.8%	0.7%	0.7%	0.7%
- Public debt to GDP (%) /1	41.2%	41.5%	41.4%	41.2%	41.2%	41.0%	41.0%	40.9%	41.3%	41.7%	41.7%	N/A	41.7%