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Monthly Economic Report (As of November 2022)

“The Thai economy in November 2022 was supported by the continued expansion of the tourism sector from both foreign tourists and Thai visitors while private consumption and private investment remained stable from the previous month. However, there was a reduction in the export of goods due to the downturn of Thai trading partners’ economy.”

Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Division revealed in the economic report in November 2022 that “The Thai economy in November 2022 was supported by the continued expansion of the tourism sector from both foreign tourists and Thai visitors while private consumption and private investment remained stable from the previous month. However, there was a reduction in the export of goods due to the downturn of Thai trading partners’ economy. partners’ economy.” The details were summarized as follows:

Economic indicators on private consumption remained stable from the previous month. Durable goods consumption was reflected by Motorcycle sales increased by 4.9 percent per year but decreased by 5.6 from the previous month after a seasonal adjustment as well as real farm income in November 2022 expanded by 9.9 percent per year. Moreover, the Consumer Confidence Index (CCI) rise from 46.1 in the previous month to 47.9 in November 2022, which is 6 consecutive months of growth due to an increase in consumer confidence from an improvement of the economic situation as well as a slowdown of living cost. Meanwhile, real VAT collection in November 2022 expanded by 0.1 percent per year but decreased by -0.4 percent from the previous month after a seasonal adjustment. However, passenger car sales dropped by -14.8 percent per year and decreased by -6.4 from the previous month after a seasonal adjustment.

Economic indicators on private investment remained stable from the previous month. Machinery and equipment investment were reflected by the import volume of capital goods in November 2022 decreased by -2.2 per year but increased by 13.6 from the previous month after a seasonal adjustment. Furthermore, commercial car sales increased by 0.2 percent per year but remained stable from the previous month after a seasonal adjustment. For investments in the construction category, cement sales in November 2022 decreased by -3.9 percent per year but increased by 1.9 percent from the previous month after a seasonal adjustment. Meanwhile, real estate tax collection increased by 5.4 percent a year and increased by 0.8 from the previous month after a seasonal adjustment.

Thai exports decreased from the same period last year. Thai export was 22,308 million USD with a declined rate of -6.0 percent in November 2022. The exports of the real sector (excluding gold, oil-related products, and weaponry) shrank by -2.0 percent per year due to the slowdown of partners' domestic demand. However, there was an expansion in many export goods as follows: sugar, chicken products and beverage which expanded by 43.4, 20.9, and 7.1 percent per year respectively. Moreover, the component of fax and telephone and equipment, the component of motorcycles and the component of air conditioner equipment increased by 91.0, 17.9 and 5.5 percent per year respectively. Considering the value of export goods classified by Thailand's main trading partners, it was found that the export to the main trading partners declined in almost every market from the slowdown of partners' domestic demand. However, Thailand was able to maintain the expansion of export value to UK, Middle East, Latin America, EU-15, and USA at 22.2, 13.8, 7.1, and 1.2 percent per year respectively.

Supply-side indicators showed signs of improvement from the same period last year. The agricultural sector was reflected by Agricultural Product Index (API) in November 2022, which increased by 2.4 percent per year and increased by 1.2 percent from the previous month after a seasonal adjustment due to an increase in paddy, rubber, cassava, and corn. The manufacturing sector is reflected by the Thai Industries Sentiment Index (TISI), increasing from 93.1 in October 2022 to 93.5 in November 2022 which is 6 consecutive months of growth. Although the reopening country and tourism support policy can contribute to these 6 consecutive months of growth in the manufacturing sector, there are concerns about the global economic slowdown that will affect the production and export of products in the next period. The Manufacturing Index in November 2022 decreased -5.6. In The tourism sector, there were 1.75 million foreign tourists in November 2022, increasing by 1,815.9 percent per year but decreasing by -30.1 percent from the previous month after a seasonal adjustment. The majority of tourists this month were from Malaysia, India, Russia, Singapore, and Korea respectively. Likewise, the number of Thai visitors in November 2022 reached 19.1 million people, increasing by 69.0 percent per year but decreasing by -26.4 percent from the previous month after a seasonal adjustment.

Internal economic stabilities remained favourable, while the pressure on the increase in the price level started to decline from the previous month. Headline and core inflation in November 2022 were at 5.55 and 3.22 percent per year, respectively. Meanwhile, public debt to GDP at the end of October 2022 stood at 60.6 percent of GDP lower than the Fiscal Sustainability Framework 2018. Moreover, the new unemployment beneficiary rate is 0.62 percent of the whole registered labour force. External economic stability remained robust reflecting the resilient ability to risk from the volatilities in the global economy as the international reserves at the end of November 2022 were high at 210.7 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in November 2022

Economic Indicators	2021	2022					
		Q1	Q2	Q3	Oct	Nov	YTD
Demand-side indicators							
Private consumption indicators							
Value added tax at constant price (%YoY) /1	11.9	14.0	7.1	7.3	5.2	0.1	8.1
Sales of passenger cars (%YoY)/2	-8.4	16.0	9.2	16.2	2.4	14.8	9.4
The number of new motorcycles registrations (%YoY)/3	4.8	3.2	6.0	38.5	16.2	4.9	13.2
Import volume of consumer goods in USD (%YoY) /4	16.2	5.6	0.9	-0.6	-5.7	-14.4	-0.4
Consumer Confidence Index (Index) /5	44.7	43.4	40.8	43.6	46.1	47.9	43.4
Private investment indicators							
Import volume of capital goods in USD (%YoY) /4	14.7	8.1	3.6	-4.7	-18.6	-2.2	-0.3
Sales of commercial cars (%YoY)/2	-1.9	20.6	9.7	33.9	1.4	0.2	17.4
Total taxes collected from real estate transaction (%YoY) /1	3.4	-1.8	18.4	21.9	12.0	5.4	12.0
Domestic cement sales (%YoY) /4	-1.0	0.0	-7.8	2.8	-5.7	-3.9	-2.4
Construction material price index (%YoY) /6	8.0	7.2	6.9	5.6	3.6	3.1	6.0
International trade indicators							
Exports (Billion USD): custom basis/6	272.0	73.6	75.6	72.1	21.7	22.3	263.3
(%YoY)/6	17.4	14.8	10.8	6.6	-4.4	-6.0	7.6
Export price (%YoY)/6	3.3	3.9	5.1	4.4	3.2	3.1	4.3
Export volume (%YoY)/4	13.7	10.4	5.3	2.0	-7.3	-8.8	3.2
Imports (Billion USD): custom basis/6	266.9	74.5	80.9	80.9	22.4	23.7	280.4
(%YoY) /6	29.5	18.4	23.4	20.2	-2.1	5.6	16.3
Import price (%YoY)/6	10.4	12.6	14.1	11.2	7.3	6.4	11.6
Import volume (%YoY) /4	17.3	5.1	8.1	8.1	-8.7	-0.8	4.3
Trade balance (Billion USD): custom basis/6	5.1	-0.9	-5.3	-8.7	-0.6	-1.3	-15.1
Supply-side indicators							
Agricultural sector							
Agricultural Production Index (%YoY) /7	0.8	1.8	2.4	-4.1	3.3	2.4	0.7
Agricultural Price Index (%YoY) /7	3.0	4.6	10.2	20.1	18.3	13.2	12.0
Real farm income (%YoY)/4	0.7	1.1	5.7	7.2	15.1	9.9	6.3
Employment in agricultural sector(%YoY) /8	2.3	3.4	-0.4	-1.9	-10.2	n.a.	-1.4
Industrial sector							
Manufacturing Production Index (%YoY) /9	5.8	1.6	-0.8	8.1	-4.0	-5.6	1.4
Import value of raw materials in USD (%YoY) /6	39.2	7.3	16.2	16.6	-0.4	-1.7	10.8
Import volume of raw materials in	31.6	0.2	9.3	12.1	-2.6	-3.9	5.4

Economic Indicators	2021	2022					
		Q1	Q2	Q3	Oct	Nov	YTD
USD (%YoY) /4							
Capacity utilization (%) /9	63.0	66.5	61.1	62.6	59.8	62.6	63.0
Employment in industrial sector (%YoY) /8	-1.5	1.8	3.9	6.4	4.5	n.a.	4.3
Thai Industrial Sentiment Index (Index) /10	82.7	88.0	85.6	90.4	93.1	93.5	89.0
Service sector							
No. of foreign tourists (Million persons) /11	0.43	0.50	1.58	3.61	1.48	1.75	8.91
(%YoY) /4	-93.6	2,367.2	7,704.0	7,847.7	7,178.2	1,815.9	4,415.2
No. of Thai tourists (%YoY) /11	-41.7	74.1	400.4	1,169.3	285.0	69.0	224.2
Employment in service sector (%YoY) /8	-0.1	4.0	5.6	9.5	12.9	n.a.	7.1
Economic Stability Indicators							
External economic stability							
Average exchange rate (Baht/USD)/12	32.0	33.1	34.4	36.4	37.3	36.4	35.0
Current account (Billion USD) /12	-10.3	-2.6	-8.1	-7.0	0.8	n.a.	-16.9
International reserves (Billion USD) /12	246.0	242.4	222.3	199.4	201.9	210.7	210.7
Net Forward Position (Billion USD)/12	33.2	30.5	28.7	28.7	26.8	28.4	28.4
Internal economic stability							
Unemployment rate (%) /8	1.9	1.5	1.4	1.2	1.4	n.a.	1.4
Initial Jobless Claims (% of the total number of social security insurance person under article 33) /4	0.7	0.61	0.52	0.61	0.57	0.62	0.58
Producer Price Index (%YoY) /6	4.7	9.8	13.3	10.5	11.3	7.2	10.5
Headline inflation (%YoY) /6	1.23	4.74	6.46	7.29	5.98	5.55	6.10
Core inflation (%YoY) /6	0.23	1.44	2.26	3.08	3.17	3.22	2.44
Public debt to GDP (%) /1	59.6	60.6	60.9	60.4	60.6	n.a.	60.6
External sector							
Dubai crude oil price (US\$/Barrel) /13	69.27	95.40	107.84	96.10	91.18	86.20	97.76
Fed funds rate (%) /13	0.00-0.25	0.25-0.50	1.50-1.75	3.00-3.25	3.00-3.25	3.75-4.00	3.75-4.00

Source: 1/Ministry of Finance, 2/Toyota Motor Thailand Co., Ltd., 3/ Department of Land Transport, 4 /Calculated by Fiscal Policy Office, 5/ The University of the Thai Chamber of Commerce, 6/ Ministry of Commerce, 7/ Office of Agricultural Economics, 8/National Statistical Office, 9/ The Office of Industrial Economics, 10/ The Federation of Thai Industries, 11/ Ministry of Tourism & Sports, 12/Bank of Thailand, 13/Reuters