

FPO Monthly Thai Regional Economic Report

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“The Thai regional economy in May 2017 continually expanded. This increase was led by the South, the East and Bangkok and vicinities. Private consumption, especially durable goods consumption, remained strong. Likewise, private investment showed an improving sign. In addition, there was a continual growth in tourism. Meanwhile, internal stability remained favorable.”

Mr. Krisada Chinavicharana, Director-general of the Fiscal Policy Office, Spokesperson of the Ministry of Finance stated that “The Thai regional economy in May 2017 continually expanded. This increase was led by the South, the East and Bangkok and vicinities. Private consumption, especially durable goods consumption, remained strong. Likewise, private investment showed an improving sign. In addition, there was a continual growth in tourism. Meanwhile, internal stability remained favorable.” **The details were summarized as follows:**

The South: The economy showed a significant expansion, especially in private consumption, investment, agriculture, and tourism. Real VAT collection expended by 4.1 percent per year. Furthermore, the durable goods consumption strongly rose as the number of car and motorcycle registrations soared by 51.2 and 38.3 percent per year, respectively, resulting from an expansion in most provinces, due to higher farmer’s income level. While, there was a positive sign in private investment on equipment and machinery as the number of pick-up and truck registration dramatically expanded by 66.4 and 0.6 percent per year, respectively. Moreover, the number of permit for factory operation strongly grew by 117.9 percent per year. On the supply side, the number of visitors and income from visitors (as of April 2017) continually expanded by 4.0 and 28.7 percent per year. Likewise, agriculture sector continued to expand. Farming products and price levels, such as Oil palm and, shrimp, showed an accelerated growth. Meanwhile, internal stability remained favorable as inflation rate was stable at 0.9 percent in May 2017 and unemployment rate (as of April 2017) was 1.6 percent of the Southern region’s workforce.

The East: The economy strongly grew, particularly in private consumption, investment, agriculture, and tourism. Real VAT collection rose by 22.7 percent per year. Moreover, the durable goods consumption continued to expand as the number of car and motorcycle registration considerably ascent by 24.9 and 11.1 percent per year, respectively, resulting from an expansion in most provinces. These increases were owing to higher agricultural product price level.

Whereas, private investment showed a continual expansion, especially in equipment and machinery section, as the number of pick-up and truck registrations expanded by 20.1 and 21.1 percent per year, respectively. Furthermore, the number of permit for factory operation surged by 156.7 percent per year. On the supply-side, tourism sector was strong as the number of visitors and income from visitors (as of April 2017) rose by 2.7 and 11.4 percent per year, respectively. Whereas, agriculture sector indicators remained strong due to higher farming products and price levels. Meanwhile, internal stability remained in a good pace as inflation rate in May 2017 was stable at 3.2 percent and unemployment rate (as of April 2017) was 0.8 percent of the Eastern region's workforce.

Bangkok and vicinities: The economy grew, particularly in private consumption, investment, and tourism. Real VAT collection rose by 2.6 percent per year. In addition, the durable goods consumption showed an improvement as the number of motorcycle and car registration grew by 3.6 and 10.6 percent per year, respectively, supported by an expansion in most provinces. These increases were a result of rising in farmer's income level and consumer's confidence index. Whereas, private investment showed improving signs. These were reflected by an increase of 4.3 and 7.4 percent per year in the number of pick-up registration and the number of permit for factory operation significantly increased by 17.8 and 247.5 percent per year, respectively. On the supply side, tourism sector remained strong as the number of visitors and income from visitors (as of April 2017) expanded by 7.7 and 34.4 percent per year, respectively. In addition, agriculture sector continued to grow. Farming products, such as paddy, and seafood, showed an accelerated growth. Meanwhile, internal stability remained favorable. Inflation rate was stable at 2.6 percent in May 2017 and unemployment rate (as of April 2017) was 1.1 percent of the Bangkok and vicinities region's workforce.

The Central: The economy illustrated an improvement, driven by private consumption, investment and tourism. Consumption on durable goods was pronounced as the number of car and motorcycle registrations indicated accelerated growths by 23.5 and 14.0 percent per year, respectively, these were supported by higher Consumer Confidence Index. Also, private investment showed a positive sign as the number of pick-up and truck registrations strongly expanded by 27.0 and 30.8 percent per year, respectively. Likewise, the number of permit for factory operation surged by 494.7 percent per year. On the supply-side, tourism sector remained strong. The number of visitors and income from visitors (as of April 2017) contributed to expand by 1.4 and 5.2 percent per year, respectively. Meanwhile, internal stability remained desirable as inflation rate was stable at 1.6 percent in May 2017 and unemployment rate (as of April 2017) was -0.9 percent of the Central region's workforce.

The Northeast: The economy grew, particularly in private consumption, and tourism. Real VAT collection slightly increased by 0.2 percent per year. Whereas, the durable goods consumption continued to expand as the number of car and motorcycle registrations substantially rose by 32.1 and 14.0 percent per year, respectively. Private investment on equipment and machinery remained steady as the number of truck registration slightly decreased by 0.1 percent

per year, while the number of pick-up registration strongly grew by 27.5 percent per year. On the supply-side, agriculture sector continued to grow as farming products, such as paddy, and sugarcane, showed an improvement. Meanwhile, internal stability was favorable. Inflation rate in May 2017 and unemployment rate (as of April 2017) were stable at 3.2 percent and 1.5 percent of the Northeastern workforce, respectively.

The North: The economy remained on a path of recovery, especially in private consumption, investment, and tourism. The figure of durable goods consumption showed upward signs as the number of motorcycle registration considerably increased by 24.2 and 15.1 percent per year, respectively, as all provinces recorded growth. These positive trends were supported by higher farmer's income level. Likewise, private investment on equipment and machinery showed clear positive signs as the number of pick-up and truck registrations soared by 18.8 and 19.7 percent per year, respectively. In addition, the number of permit for factory operation also strongly grew by 33.9 percent per year. On the supply side, tourism sector was strong as the number of visitors and income from visitors (as of April 2017) rose by 2.7 and 7.7 percent per year, respectively. Whereas, agriculture sector also remained strong. This rise was on account of higher farming products level, such as rice, and corn. Meanwhile, internal stability continued to stay at desirable level as inflation rate in May 2017 and unemployment rate (as of April 2017) were stable at 1.2 percent and -1.3 percent of the Northern region's workforce, respectively.

The West: The economy improved, as private consumption, investment, and tourism were the key drivers. Private consumption on durable goods grew as the number of motorcycle registration moderately inclined by 19.5 and 4.9 percent per year, respectively, due to rising in most provinces. These increases were supported by improving in Consumer Confidence Index. While, there was a positive sign in private investment on equipment and machinery as the number of truck registration the number of permit for factory operation dramatically expanded by 13.2 and 96.0 percent per year, respectively. At the same time, the supply-side indicators remained strong, particularly in tourism sector. the number of visitors and income from visitors (as of April 2017) rose by 5.4 and 6.7 percent per year, respectively. Meanwhile, internal stability remained satisfactory level as inflation rate was stable at 1.0 percent in May 2017 and Unemployment rate (as of April 2017) was -0.4 percent of the Western region's workforce.